DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1924

OFFICIAL REPORT

Editor: ALBERT HORTON

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

Reserve Reporter: THOS. BENGOUGH

THIRD SESSION—FOURTEENTH PARLIAMENT—14-15 GEORGE V



OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1924

SENATORS OF CANADA

ACCORDING TO SENIORITY

JULY 19, 1924

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

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
Joseph Bolduc, P.C.	Lauzon	St. Victor de Tring, Que.
Pascal Poirier	Acadie	Shediac, N.B.
Sir James Alexander Lougheed, K.C.M.G., P.C.	Calgary	Calgary, Alta.
Hippolyte Montplaisir	Shawinigan	Three Rivers, Que.
Alfred A. Thibaudeau	De la Vallière	Montreal, Que.
George Gerald King	Queens	Chipman, N.B.
Raoul Dandurand, P.C.	De Lorimier	Montreal, Que.
John Yeo	East Prince	Port Hill, P.E.I.
Joseph P. B. Casgrain	De Lanaudière	Montreal, Que.
Robert Watson	Portage la Prairie	Portage la Prairie, Man.
George McHugh	Victoria (O.)	Lindsay, Ont.
Frederick L. Béique	De Salaberry	Montreal, Que.
Joseph H. Legris	Repentigny	Louiseville, Que.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
JULES TESSIER	De la Durantaye	Quebec, Que.
L. O. DAVID	Mille Iles	Montreal, Que.
HENRY J. CLORAN	Victoria	Montreal, Que.
WILLIAM MITCHELL	Wellington	Drummondville, Que.
HEWITT BOSTOCK, P.C. (Speaker)	Kamloops	Monte Creek, B.C.
JAMES H. ROSS	Moose Jaw	Moose Jaw, Sask.
L. GEORGE DE VEBER	Lethbridge	Lethbridge, Alta.
GEORGE C. DESSAULLES	Rougemont	St. Hyacinthe, Que.
NAPOLÉON A. BELCOURT, P.C.	Ottawa	Ottawa, Ont.
EDWARD MATTHEW FARRELL	Liverpool	Liverpool, N.S.
WILLIAM ROCHE	Halifax	Halifax, 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	Middleton, N.S.
EDWARD L. GIRROIR	Antigonish	Antigonish, N.S.
PATRICK C. MURPHY	Tignish	Tignish, P.E.I.
ERNEST D. SMITH	Wentworth	Winona, Ont.
ALEXANDER MCCALL	Norfolk	Simcoe, 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	Pictou, N.S.
THOMAS JEAN BOURQUE	Richibucto	Richibucto, N.B.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS
The Honourable		
HENRY W. LAIRD	Regina	Regina, Sask.
ALBERT E. PLANTA	Nanaimo	Nanaimo, B.C.
GEORGE W. FOWLER	Kings and Albert	Sussex, N.B.
RICHARD BLAIN	Peel	Brampton, Ont.
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.
WILLIAM H. BENNETT	Simcoe, E.	Midland, Ont.
GEORGE HENRY BRADBURY	Selkirk	Selkirk, 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.	Laurentides	Montreal, Que.
MICHAEL J. O'BRIEN	Renfrew	Renfrew, Ont.
JOHN G. TURRIFF	Assiniboia	Ottawa, Ont.
GERALD VERNER WHITE	Pembroke	Pembroke, Ont.
THOMAS CHAPAIS	Granville	Quebec, Que.
LORNE C. WEBSTER	Stadacona	Montreal, Que.
JOHN STANFIELD	Colchester	Truro, N.S.
JOHN ANTHONY MCDONALD	Shediac	Shediac, N.B.
WILLIAM GRIESBACH, C.B., C.M.G., etc.	Edmonton	Edmonton, Alta.
JOHN MCCORMICK	Sydney Mines	Sydney Mines, N.S.
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.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
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.
Frederick F. Pardee	Lambton	Sarnia, Ont.
Gustave Boyer	Rigaud	Rigaud, Que.
Onesiphore Turgeon	Gloucester	Bathurst, N.B.
Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	North York	Toronto, Ont.
Jean Léon Coté	Athabaska	Edmonton, Alta.
Andrew Haydon		Ottawa, Ont.
Clifford W. Robinson	Moncton	Moncton, N.B.

SENATORS OF CANADA

ALPHABETICAL LIST

JULY 19, 1924

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.	De Salaberry	Montreal, Que.
BELCOURT, N. A., P.C.	Ottawa	Ottawa, Ont.
BÉNARD, A.	St. Boniface	Winnipeg, Man.
BENNETT, W. H.	Simcoe, E.	Midland, Ont.
BLACK, F. B.	Westmoreland	Sackville, N.B.
BLAIN, R.	Peel	Brampton, Ont.
BLONDIN, P. E., P.C.	Laurentides	Montreal, Que.
BOLDUC, J., P.C.	Lauzon	St. Victor de Tring, Que.
BOSTOCK, H., P.C. (Speaker)	Kamloops	Monte Creek, B.C.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BOYER, G.	Rigaud	Rigaud, Que.
BRADBURY, G. H.	Selkirk	Selkirk, Man.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CASGRAIN, J. P. B.	De Lanaudière	Montreal, Que.
CHAPAIS, T.	Granville	Quebec, Que.
CLORAN, H. J.	Victoria	Montreal, Que.
COTÉ, J. L.	Athabaska	Edmonton, Alta.
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.
DAVID, L. O.	Mille Iles	Montreal, Que.
DESSAULLES, G. C.	Rougemont	St. Hyacinthe, Que.
DE VEBER, L. G.	Lethbridge	Lethbridge, Alta.
DONNELLY, J. J.	South Bruce	Pinkerton, Ont.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
FARRELL, E. M.	Liverpool	Liverpool, N.S.
FISHER, J. H.	Brant	Paris, Ont.
FOSTER, G. G.	Alma	Montreal, Que.
FOSTER, RT. HON. SIR GEORGE E., P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
FOWLER, G. W.	Kings and Albert	Sussex, N.B.
GILLIS, A. B.	Saskatchewan	Whitewood, Sask.
GIRROIR, E. L.	Antigonish	Antigonish, N.S.
GORDON, G.	Nipissing	North Bay, 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.
HAYDON A.		Ottawa, Ont.
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.
LOUGHEED, Sir JAMES A., P.C., K.C.M.G.	Calgary	Calgary, Alta.
LYNCH-STAUNTON, G.	Hamilton	Hamilton, Ont.
MACDONELL, A. H., C.M.G., etc.	Toronto, South	Toronto, Ont.
MARTIN, P.	Halifax	Halifax, N.S.
MCCALL, A.	Norfolk	Simcoe, Ont.
MCCOIG, A. B.	Kent (O.)	Chatham, Ont.
MCCORMICK, J.	Sydney Mines	Sydney Mines, N.S.
MCDONALD, J. A.	Shediac	Shediac, N.B.
MCHUGH, G.	Victoria (O.)	Lindsay, 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.
MITCHELL, W.	Wellington	Drummondville, Que.
MONTPLAISIR, H.	Shawinigan	Three Rivers, Que.
MULHOLLAND, R. A.	Port Hope	Port Hope, Ont.
MURPHY, P. C.	Tignish	Tignish, P.E.I.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
O'Brien, M. J.	Renfrew	Renfrew, Ont.
Pardee, F. F.	Lambton	Sarnia, 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.
Reid, J. D., P.C.	Grenville	Prescott, Ont.
Robertson, G. D., P.C.	Welland	Welland, Ont.
Robinson, C. W.	Moncton	Moncton. N.B,
Roche, W.	Halifax	Halifax, N.S.
Ross, J. H.	Moose Jaw	Moose Jaw, Sask.
Ross, W. B.	Middleton	Middleton, 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.
Thibaudeau, A. A.	De la Vallière	Montreal, 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.
Yeo, J.	East Prince	Port Hill, P.E.I.

SENATORS OF CANADA

BY PROVINCES

JULY 19, 1924

ONTARIO—24

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	George McHugh	Lindsay.
2	Napoleon A. Belcourt, P.C.	Ottawa.
3	George Gordon	North Bay.
4	Ernest D. Smith	Winona.
5	Alexander McCall	Simcoe.
6	James J. Donnelly	Pinkerton.
7	George Lynch-Staunton	Hamilton.
8	Gideon D. Robertson, P.C.	Welland.
9	Richard Blain	Brampton.
10	John Henry Fisher	Paris.
11	William H. Bennett	Midland.
12	John Webster	Brockville.
13	Robert A. Mulholland	Port Hope.
14	Michael J. O'Brien	Renfrew.
15	Gerald Verner White	Pembroke.
16	John D. Reid, P.C.	Prescott.
17	Rt. Hon. Sir Geo. E. Foster, P.C., G.C.M.G.	Ottawa.
18	Sir Edward Kemp, P.C., K.C.M.G.	Toronto.
19	Archibald H. Macdonell, C.M.G., etc.	Toronto.
20	Archibald Blake McCoig	Chatham.
21	Arthur C. Hardy	Brockville.
22	Frederick F. Pardee	Sarnia.
23	Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	Toronto.
24	Andrew Haydon	Ottawa.

QUEBEC—24

	SENATORS.	ELECTORAL DIVISION.	POST OFFICE ADDRESS.
	The Honourable		
1	Joseph Bolduc, P.C.	Lauzon	St. Victor de Tring.
2	Hippolyte Montplaisir	Shawinigan	Three Rivers.
3	Alfred A. Thibaudeau	De la Vallière	Montreal.
4	Raoul Dandurand, P.C.	De Lorimier	Montreal.
5	Joseph P. B. Casgrain	De Lanaudière	Montreal.
6	Frederick L. Béique	De Salaberry	Montreal.
7	Joseph H. Legris	Repentigny	Louiseville.
8	Jules Tessier	De la Durantaye	Quebec.
9	L. O. David	Mille Iles	Montreal.
10	Henry J. Cloran	Victoria	Montreal.
11	William Mitchell	Wellington	Drummondville.
12	George C. Dessaulles	Rougemont	St. Hyacinthe.
13	Louis Lavergne	Kennebec	Arthabaska.
14	Joseph M. Wilson	Sorel	Montreal.
15	Rufus H. Pope	Bedford	Cookshire.
16	Charles Philippe Beaubien	Montarville	Montreal.
17	David Ovide L'Espérance	Gulf	Quebec.
18	George Green Foster	Alma	Montreal.
19	Richard Smeaton White	Inkerman	Montreal.
20	Pierre Edouard Blondin, P.C.	Laurentides	Montreal, Que.
21	Thomas Chapais	Granville	Quebec.
22	Lorne C. Webster	Stadacona	Montreal.
23	Gustave Boyer	Rigaud	Rigaud.
24			

NOVA SCOTIA—10

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

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	George W. Fowler	Sussex.
6	Irving R. Todd	Milltown.
7	John Anthony McDonald	Shediac.
8	Frank B. Black	Sackville.
9	Onesiphore Turgeon	Bathurst.
10	Clifford W. Robinson	Moncton

PRINCE EDWARD ISLAND—4

	The Honourable	
1	John Yeo	Port Hill.
2	Benjamin C. Prowse	Charlottetown.
3	Patrick C. Murphy	Tignish.
4	John McLean	Souris.

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	George Henry Bradbury	Selkirk.

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	Sir James Alexander Lougheed, K.C.M.G., P.C.	Calgary.
2	L. George De Veber	Lethbridge.
3	Edward Michener	Red Deer.
4	William James Harmer	Edmonton.
5	William A. Griesbach, C.B., C.M.G., etc.	Edmonton.
6	Jean Léon Coté	Edmonton.

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, February 28, 1924.

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

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

NEW SENATOR INTRODUCED

Hon. Jean Léon Côté, of Edmonton, Alberta, introduced by Hon. Mr. Dandurand and Hon. Mr. DeVeber.

OPENING OF THE SESSION

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary informing him that His Excellency the Governor General would proceed to the Senate Chamber to open formally the Session of the Dominion Parliament this day at 3 o'clock.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

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 Third Session of the Fourteenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of The House of Commons:

I am glad to be able to congratulate you upon the many evidences of increased prosperity. Though the general economic situation still reflects the consequences of the World War, the records of production, trade, transportation, employment and public finance have been uniformly increasingly favourable throughout the Dominion. The state of general employment has been distinctly better. The volume of business has steadily increased. Especially has the country reason to feel gratified at the expansion to a notable degree of its public revenues and decline of its expenditures.

I am persuaded that a reduction in taxation, and in production and transportation costs, such as will encourage the investment of capital in industrial enterprise and attract settlers in large numbers to our Dominion, are all that are necessary to effect an economic development hitherto unparalleled.

My Ministers are strongly of the opinion that a reduction of taxation is of first importance, and that to this end the efforts already put forth to combine strict economy in the administration of the public services with rigorous retrenchment in public expenditures, should be furthered in as many directions as may be possible. This is the more imperative, in that the margin of controllable expenditure within which economies can be effected is necessarily restricted.

My Ministers believe, however, that in virtue of economies already effected they will, when the present financial year closes, be able to announce to the country that for the first time since 1912-13 the national budget has been balanced. They are further of the opinion that when the budget for the ensuing fiscal year is introduced it will be found that the relation between public revenue and public expenditure is such as to justify some immediate reduction of taxation.

In the opinion of the Government, such reduction of taxation as it may be possible to effect should aim primarily at reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, thereby aiding materially in the development of our natural resources, and, through cheapened production, effecting a diminution also in the cost of living.

Legislation will be introduced making provision for consolidation of the revenue collecting services of the Government under one administrative head. With a view to simplifying and improving the existing system, it is also proposed to constitute a Board to investigate and study the various modes of taxation.

National unity, not less than national prosperity, depends upon the surmounting of those barriers which have tended to separate Western from Eastern Canada and to discourage permanent settlement upon the land. Foremost in this regard are the problems incidental to tariff readjustments and to the marketing of agricultural and other natural products.

The stabilization and control of freight rates on grain from the head of the Great Lakes to Canadian ocean ports and thence to Liverpool, are receiving the closest attention. It is hoped that the Report of the Royal Grain Inquiry Commission authorized last Session to inquire into the subject of the handling and marketing of grain will be available for presentation to Parliament this Session, and that legislation based upon its recommendations may be offered for your consideration.

REVISED EDITION

The further development of our magnificent inland water transportation routes, which will result in lower carrying charges for the products of the farms of the West as well as for the products of the mine, the forest, and the diversified industries of the East, is of vital importance. To aid in the accomplishment of this purpose work on the new Welland Ship Canal is being expedited.

A further interchange of correspondence has taken place between my Government and the Government of the United States with reference to the St. Lawrence Waterway. In the opinion of my advisers, the importance of this question is such that further inquiry should be instituted before a final decision is reached upon the proposals which have been under consideration.

The important subject of Marine Insurance as affecting our ports; the permanent equalization of the rate on Canadian flour, and the removal of discriminations in ocean rates on other Canadian products are receiving attention.

As a stimulus to stock-raising in the Dominion, and of direct benefit to agriculture, the Government has been endeavouring to obtain a lower carrying charge on all shipments of Canadian cattle.

Every effort will be made still further to develop the policy of Canadian trade via Canadian ports.

Particularly satisfactory and promising is the material improvement which has taken place in the financial condition of the Canadian National Railway system.

The Dominion Fuel Board has been created to study and make recommendations in regard to the development of our fuel resources with a view to making Canada independent, so far as possible, of foreign sources of supply. The investigations carried on by this Board have already been productive of important results, and legislation to encourage Canadian production will be submitted for your consideration.

The amendments made to the Bank Act in the last decennial revision of the last Session provided better guarantees for the public in banking operations; their wisdom has already been abundantly apparent. The depositors in the Home Bank have asked that they should be recouped the amount of their losses, and in their petition made representations which my advisers regard as so important as to warrant full investigation. To that end a commission has been appointed to inquire fully into the allegations made by these petitioners.

The Redistribution Bill of last Session respecting the representation of the House of Commons will be reintroduced at an early date. Among amendments to be proposed to the Dominion Elections Act will be one providing for the use of the transferable vote in single-Member constituencies.

Bills will again be submitted, with respect to the construction of Canadian National Railway lines, the Industrial Disputes Investigation Act, and racetrack gambling. Your attention will also be invited to amendments to the Government Annuities Act, to provide additional encouragement in the promotion of thrift and self-help, and to amendments to the Militia Act with respect to the calling-out of the Militia in aid of the civil power.

The Imperial Conference and the Imperial Economic Conference held in London in the months of October and November last between representatives of the Government of the United Kingdom and of the British Dominions and India, dealt with many subjects with which the Empire at large is interested. The reports of the proceedings of both Conferences will be presented to Parliament.

Members of the House of Commons:

The public accounts for the last fiscal year and the estimates for the coming year will be submitted at an early date.

Hon. Mr. SPEAKER

You will observe that in the preparation of the estimates my advisers have felt the necessity of continuing the policy of rigid economy with respect to public services and public works, and of postponing until such time as a reduction in taxation has been effected some undertakings the early consideration of which are obviously in the public interest.

Honourable Members of the Senate:

Members of the House of Commons:

The prospects of an exceptional harvest, so bright at the close of the last session, have been more than realized. Final information as to the crops of 1923 indicate that they were the most bountiful in Canada's history. In again inviting your careful consideration to the important matters which will engage your attention, I pray that the Divine Providence, which has thus favoured our land, may guide and bless your deliberations.

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

Prayers.

RAILWAY BILL

FIRST READING

Bill A, an Act relating to Railways.—Hon. Mr. Dandurand.

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 next.

The Senate adjourned until Tuesday next at 3 p.m.

THE SENATE

Tuesday, March 4, 1924.

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

Prayers and routine proceedings.

CIVIL SERVICE COMMITTEE

MOTION

Hon. Mr. DANDURAND moved:

1. That a Special Committee of this House be appointed to inquire into and to report from time to time upon—

(a) The efficiency of the Civil Service;

(b) The number of persons employed in each branch of the several departments of the Civil Service, and the places where they are so employed;

(c) The possibility of reducing such number so as to effect economy without impairment of efficiency;

(d) Generally, all questions, matters and things arising out of or incidental to the foregoing.

2. That the said Committee be composed of the Honourable Messieurs

3. That the said Committee be empowered to send for persons, papers and records, and to employ such clerical aid as may be necessary to carry on properly the inquiry to be made.

He said: Honourable gentlemen will remember that, in the last hours of the last Session, in the discussion which took place in this Chamber on the Supply Bill, reference was made to the probable overmanning of the Government departments. I stated that I had uttered certain opinions which, if they had not been uttered by others, had probably been held by them. I said I thought it was our duty to investigate this matter, and I gave notice then that I would move for the appointment of a committee of inquiry at the next Session. Since that time I have notified every Deputy Minister that such an inquiry would be held, or at least that I intended to propose to the Senate that it should be held, and that they would be asked to present statements showing the number of officers and employees in their departments for a certain number of years past, and, if there were increases in the numbers, to explain them and justify them.

I have received answers from most of the Deputy Ministers informing me that they had prepared or were preparing statements in answer to the inquiries that might be made by the Senate.

Since that notification was given the announcement has been made to the public that the Audit Commission which was created by the Act of Parliament last year would be asked to examine into the working of the Civil Service generally with a view of reducing the staff and consequently reducing the expenditure. This announcement might be considered a justification for sitting back and awaiting the work of that Commission, but after mature consideration I have decided to ask the Senate to proceed to the inquiry.

If the Committee is appointed I do not know to what extent it will carry its research. My present impression is that it might be limited to the question of the overmanning of the departments. I think that itself will be a sufficient task to begin with. I am afraid that if we attempted to go into the question of salaries we might get beyond our depth for the moment. However, that is for the Senate or for the Committee to decide. It seems to me that the question of pay involves the classification of the work done by every individual and the question of what would be fair remuneration for that individual to receive. I have no objection to fair salaries being paid to the men who are doing our work throughout the land—I mean salaries which would compare favourably with those paid for similar work outside the Service.

My first concern is whether we have thousands of men on our pay-list who ought to be dispensed with. I know that the announcement of this inquiry and the statement that the number of officials will be reduced has created a certain uneasiness throughout the Service. It will be for the Audit Commission to report on the method of reducing the staff. There is an announcement that a Superannuation Bill is to be presented. This Committee of the Senate and the Audit Commission may find that some of the older members of the Service could be superannuated, and they may find also that many of the junior officers and employees could be dispensed with and would be able to find other employment.

I have prepared, in conjunction with my honourable friend who sits opposite (Hon. Sir James Lougheed), a list of proposed members of the Committee. I had at first included my own name in the number, but I have since struck it off, for two reasons. Members of this Chamber well know the work which devolves upon the representative of the Government in this House—the heavy task which he is obliged to perform in studying Bills for presentation to this House, most of which come in the last two months of the Session. I feel that I shall perhaps be unequal to the task of following closely the work of this Committee and doing it justice. Then, too, it is perhaps better that the recommendations made by the Committee to the Cabinet, of which I am a member, should not be addressed to a body one of whom is a member of the Committee. The Committee may feel freer in its action if it has not at its elbow as a member of the Committee a member of the Government. The names of the members that I would propose to form the Committee are as follow: Hon. Messrs. Béique, Belcourt, Bennett, Black, Bradbury, Calder, Hardy, McCoig, Pardee, Robertson, Ross (Moosejaw), Ross (Middleton), Turgeon, Watson and White (Inkerman).

I may just add that the Senate Committee will have an opportunity not only of examining and cross-examining the Deputy Ministers, but of obtaining information from other sources if they judge proper, and it is my belief that the information gathered by the Committee may be of considerable help to the Audit Commission which will have its work to do later on.

Hon. Mr. ROBERTSON: Honourable gentlemen, I should like to refer to just one point that the Leader of the Government has

stressed in presenting this motion, and that is the desirability or otherwise of a member of the Government being a member of the Committee. I feel that that is a rather important point by reason of the fact that the mover has seen fit to include my name on the Committee, and having been a member of a Government that made some efforts toward Civil Service reorganisation, I feel that the present Government should not entirely divorce itself from any and all responsibility in connection with this inquiry of the Senate by not having any representative on the Committee.

I very well recall that an honest effort was undertaken by the former Government and some progress was made toward a readjustment along the lines of economy and greater efficiency in the Civil Service, and very serious exception was taken to the action of the Government. Some of the things done—perhaps they should never have been done—were undone. This investigation may prove that to be the case. But I do think that there should not be members of the late Government on the Committee unless there are members of the present Government on it also, and I would respectfully suggest that either my name and that of the Hon. Mr. Calder be withdrawn, or that some representative of the present Government, preferably the honourable the Leader of the Government in this House, should be added to the Committee.

Hon. Mr. DANDURAND: I have given the reasons which prompted me to remain off the Committee, but it is not my intention to shun any responsibility. I believe that we should all put our shoulders to the wheel in the effort to reduce the expenditure of Government, and although I may not be able to follow the Committee very closely, I am quite willing that my name should be added if it is thought desirable.

Hon. W. B. ROSS: I should like to ask the Leader of the Government whether the Committee will have the right to examine into the utility of any institution with a view of having that institution abolished. For instance, scattered over this country there are offices connected with the Receiver General's offices. In Halifax there is one of these offices with two or three clerks. The greater part of the work that used to be done by that particular branch is done now by the chartered banks, and I think that practically all of those offices should be wiped out of existence.

Hon. Mr. ROBERTSON.

Hon. Mr. CASGRAIN: That will be for the Committee to deal with.

Hon. Mr. ROSS: Can the Committee inquire into that matter and make a recommendation that those institutions be abolished?

Hon. Mr. DANDURAND: I can certainly answer in the affirmative.

Hon. Sir JAMES LOUGHEED: I presume, honourable gentlemen, that the Committee may from time to time report to this House and ask that its scope be enlarged. That is, I think, invariably the practice of committees of this nature.

As to the question of salaries, it is very desirable that the Committee should be permitted to inquire into the cost of the different branches, or the salaries paid to the different members of the Service to whom the Committee's attention may be drawn. It is necessary, for this purpose. Probably the most burning question to-day before the country is the reduction of expenditure—not the reduction of the strength of the Service, but the reduction of Civil Service expenditures; and while it is not desirable to pass upon the question whether the salaries are too high or too low, or whether they should be adjusted to circumstances, yet the standard by which the public judge the service that is being rendered in any branch of the administration is based upon dollars and cents, and it seems to me that unless the Committee have power to make inquiry into the cost of that particular branch of the Service which we may be examining into at the time, the result will be unsatisfactory and it will be impossible to form a proper judgment as to the expenditure. I suggest that to my honourable friend for his consideration, without moving any change in the form of the motion which is before the Chamber.

Hon. Mr. DANDURAND: The motion is large enough to cover the question of cost. It will simply be for the Committee to decide as to its policy.

Hon. Mr. BRADBURY: I look upon this Committee as perhaps one of the most important that the Senate has appointed for some time, and I trust that it will have power to take evidence under oath. I make that suggestion because otherwise it will be very difficult to obtain the information desired by the Senate from departmental officials still in the Service. For instance, Deputy Ministers have told various committees that their own Department was not overmanned; consequently it will be very hard for a Deputy

Minister who comes forward to admit now that his Department is overmanned. It may be necessary to call outside witnesses, men who have been in the Service. I submit that every witness examined should be examined under oath, so that the inquiry may be fair to everybody.

Hon. Mr. CASGRAIN: The Committee will have power to send for persons and papers.

The Hon. the SPEAKER: The Clerk has pointed out to me that it is not quite clear whether Hon. Mr. Dandurand is going to sit or not.

Hon. Mr. DANDURAND: I have declared that I am ready to allow my name to be included. I would rather have my name added and be sure that my honourable friend (Hon. Mr. Robertson) will serve and give the Committee the benefit of his experience.

The Hon. the SPEAKER: Then it is understood that to the names as I have read them out will be added the name of Hon. Mr. Dandurand.

The motion was agreed to.

MEMORIAL TO THE LATE LIEUT.-COL. BAKER

On the Orders of the Day:

Hon. Mr. CASGRAIN: With the leave of the House, may I draw the attention of honourable members to a function that took place on Friday last, in another part of this building —the unveiling of the monument to the late Lieutenant-Colonel Baker. As a member of the Committee on the memorial I have been asked to bring this matter before the House. Owing to the shortness of the notice and also to the fact that the Senate was not sitting, many honourable Senators who would have liked to attend were not present on that occasion. It was a historical event. It has been thought that perhaps the House would allow the Committee of last Session to sit again, in order that it might prepare either a report or a booklet setting forth the action that has been taken, and perhaps containing also a picture of the monument. This would be a further mark of appreciation and would give every member of Parliament an opportunity of knowing what has been done. I understand that part of the record was to be inserted in Hansard of the House of Commons, but how many people will think of looking for it there? If there is a pamphlet issued containing the speeches and perhaps a picture of the monument, it will show that a grateful country does not forget those who have laid down their lives for it.

Hon. Mr. L'ESPERANCE: Honourable gentlemen, I am entirely in accord with the proposal of my honourable friend from De Lanaudière, and I feel certain that this honourable House will cheerfully agree to the Committee completing its work, so that we may have a full record, not only of its proceedings, but also of the eloquent and inspiring speeches which were delivered at the unveiling of the monument to our heroic friend the late Lieutenant-Colonl Baker.

Hon. Sir JAMES LOUGHEED: Is my honourable friend going to make a motion?

Hon. Mr. CASGRAIN: I shall be very glad to move the motion, if it is the pleasure of this House to waive the notice. I have the honour to move, seconded by the Hon. Mr. Belcourt, that the Committee be re-appointed and be authorized to publish a booklet or pamphlet, and report to this House.

Hon. Mr. WATSON: Honourable gentlemen, there is another matter that I think might be referred to the same Committee. You will remember that in the disastrous fire which destroyed the Parliament Building, a member of the House of Commons, Mr. Law, lost his life, and no trace of him was found. I suggested to this same Committee before that they should take some action; but they did not have instructions to deal with this matter. I think a tablet ought to be erected in memory of that honourable gentlemen. It would not cost very much. The Committee might take the matter up and report upon it. Mr. Law has no grave beyond the foundations of this building. Although his remains were not found after the fire, there is no question that he was burned to death, and it would be but fitting to erect a tablet to his memory.

The motion, amended as proposed, 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. F. F. PARDEE: Honourable gentlemen, in considering the Speech from the Throne delivered by His Excellency at the opening of this Session, one cannot but be struck by the fact that it contains much that is good. It is full of optimism and if all that is therein set before the Houses of Parliament and this country is carried out, it will redound to the credit of Canada and its people, and to the credit of the Government. There is no doubt—and it is superfluous to

say it to honourable members of this House—that for some years past Canada, like all other countries, has been passing through a period of reconstruction. We have had our troubles following the war, and, like other countries, we have laboured under disabilities. It was only in the latter part of 1923 that Canada began to find her feet again—to settle down in a normal condition—to feel, after all she had undergone, that she was able to take up and carry along those measures that were best for the people as a whole.

I cannot help thinking, in connection with the Speech from the Throne, that it embodies a very healthy idea of Canadianism. It appears to me, if I may be permitted to say so, that if there is one thing that this country needs more than any other at the present time, it is that the spirit of Canadianism be instilled into our people. We ought to imbue ourselves and imbue others with a wholesome Canadian spirit and develop it to a considerably greater degree than it has been developed up to the present time. There ought to be, in my opinion, more pride of nationality than we now have; there ought to be more of our own history taught in our schools to our young people. Indeed, Canadian history should be taught not merely to our young people, but even to men who sit in this or in the other Chamber. Consider how glorious has been the history of Canada. In reading the works of Parkman and others dealing with the development of this Dominion, one cannot but be impressed with the fact that it is a great history, a romantic history. It would be to the advantage of every man, woman and child in this country to learn more of the history of Canada than the history of England or that of ancient Rome. The more we are imbued with the spirit of Canadianism, the better will it be for our country, and the sooner shall we be a great people.

I do not intend to take up much of the time of this honourable House with what I have to say. There are great questions confronting us. Canada is on the verge of great development, and it will be achieved if we have enough faith in ourselves and our country to take up our task and carry it along to fruition.

The first question that comes to mind is the question of taxation. At the present time, in this as in all other countries, taxation is a vital matter. Some hope is held out in the Speech from the Throne that we shall have some relief from the present heavy burden we have to bear. All Canadians should be glad that such is the case. In the first place, it will afford relief to us as individuals. Everyone must recognize that the United States, under the Mellon scheme, is bringing about a great decrease of taxation. The tax on incomes is to be considerably lightened. Canada is in a position similar to that of the merchant: she must put her goods in the front window. Like any other country that is to-day heavily burdened with taxation, she must show that it is her intention to reduce the taxation and thus lighten the burden on the people. We must show that intention to the world, for the simple reason that the country that shows the least taxation is the one that will get the people and be the most prosperous. So it is with feelings of relief and of hope that we see foreshadowed in the Speech from the Throne the intention to provide some relief from taxation, that thus the cost of living may be reduced.

Involved in that to a considerable degree is, of course, the question of expenditure. Both of the leaders in this House have touched somewhat upon that. My honourable friend the leader of the party opposite (Hon. Sir James Lougheed) said, if I understood him aright, that it was not so much a question of reducing the expenditure upon the number of people employed as it was—and I stand to be corrected if I am wrong—that the amounts that were paid should be decreased.

Hon. Sir JAMES LOUGHEED: No, the contrary.

Hon. Mr. PARDEE: Whichever it may be, all I have to say is that I am delighted to see that the Government have taken steps to initiate just such a decrease in expenditure as the people of this country have been desiring for some time. I am bound to say that any Government that does that has my extreme sympathy. There must be sympathy for a Government which is compelled to take such drastic measures, and for those upon whom the results of such measures must fall. It is a case of "Be damned if you do, and be damned if you don't." The country at large is clamouring. All sides of politics—I make no invidious distinctions—have but one cry, which, if I understand it, is that our expenditure upon public works and the services of the Dominion of Canada is above and beyond and out of all proportion to the population and the work to be done. Therefore the Government must of necessity undertake the disagreeable task of reducing its staff and reducing salaries, thereby in the first place effecting economies, and in the second place relieving the people of this country to some extent of the burden of taxation.

Canada has a population of about 9,000,000, and a debt of over $2,000,000,000. Our expend-

iture in the past has not been curtailed to any perceptible degree, and it does appear to me that if there is one thing any Government ought to do, it is immediately to get down to a business basis in carrying on the business of the country. The present Government or any other Government should get down to the same basis as any manufacturer would, and he would absolutely cut his coat according to his cloth, and endeavour to pay dividends. I grant the millenium will have come when that time arrives, but there is no logical reason, no business reason, why this country, or any other country, or any province, should not be run on as strict a business basis as any business or manufacturing concern in the Dominion. If that is done, I feel satisfied that, so far as the future of this country and the people of the country are concerned, there will be a vast saving, that taxes will be lighter, that the cost of living will come down, that we shall be in a far more prosperous condition than we have been in for many years.

I think we are all glad to know that the Canadian National railways this year will show a surplus of approximately $20,000,000 on operating expenses. For many years—and we know well the cause of it without going into ancient history—the roads which to-day comprise the Canadian National system were a source of tremendous drain upon the pockets of the people of this country, and after the many and varied opinions as to public ownership, everyone must view with the greatest satisfaction the gains which have been made by the Management of the Canadian National railways. The claims of those who advocated public ownership as the best way out of the railway situation in Canada have been proven. Those railways have been a very material success so far. Last year this House in its wisdom or unwisdom defeated the Bill for the construction of branch lines on the Canadian National railways, and it does appear to me that the railway question is to a very large degree interwoven with the question of immigration. If there are two things this country needs, they are, first, population, and secondly, capital. A country which has those two things is bound to be prosperous, provided it has natural resources which can be developed. In the West to-day we have many miles of railroad, some graded, some with tracks laid, but without ballast, others with the location staked out. During the war, and just prior to the war, it was all very well to say that as money was dear and labour scarce those roads could not be gone on with. That was perfectly logical and reasonable, and I feel quite satisfied that the people of the country were quite content to put up with the situation as it existed. Since that time, however, many people have gone into that country and settled in the sections where those roads or contemplated roads are located, and to-day they find themselves without transportation. That being the case, we can scarcely with one breath shout: "Come to our country; we will give you every advantage; we have one of the greatest wheat-growing districts in the world; come and reap;" and at the same time say, as we did last year: "Even though you come and raise great crops there is no certainty that you will be provided with transportation to get them to market."

May I read a few figures showing the situation? There are to-day 238 miles of graded line without steel; there are 259 miles of newly-laid track without ballast; there are ten locations to lay tracks, and eleven locations to ballast. In all, as I understand, there are in that country about 898 miles of railroad or pseudo-railroad ready to take care of the wants of the settlers in those districts. There has been already expended on the locations and roads that I have mentioned $10,000,000, and the Government asks that there be granted $28,307,900 to complete the work. It does appear to me that the objection that the Government is given a more or less free hand to go on and spend the money, and that it should be voted from year to year is not a reasonable one, and will not allow the work to proceed satisfactorily; and this House takes upon itself a very grave responsibility when it throws out legislation that is intended to inure to the benefit of many people who are in this country and many others who will come to this country by reason of those railroads.

Hon. Mr. POPE: How many people would they serve?

Hon. Mr. PARDEE: I do not know. But the country is thoroughly populated, as the honourable gentleman well knows.

Another important question, one which has been discussed in this House and in the other House to a considerable extent, is that of the coal resources of this country; and I put forward this suggestion, whether it is feasible or not, as it runs in my mind that it might at least be given a trial. We know to-day that a great part of the Dominion of Canada is very largely dependent upon the United States for its supply of coal. We know also that in the West we have practically unlimited supplies of coal. The great difficulty in the way of getting this coal from the West to this part of the country is the heavy freight rate. Now, the Canadian National railway is the people's railway, and has been taken

over by the Government wholly and solely for the benefit of the people. Might it not be reasonable to say that, if that railway were to haul the coal from the West, even at a rate that would not pay, that if sufficient coal were brought to supply the needs of the people here to-day and for all time to come, that it would be a benefit to the people in not being dependent upon the United States for their coal supply, and that the extra cost, if any should be charged to the public debt of Canada? I cannot see why we should continue doing as we are to-day—paying exorbitant prices to the United States for coal when we have an illimitable supply in our own western country. When we can bring that coal here on railways owned by the people themselves, I do not see why the railways should not give up the satisfaction of saying "we have a surplus of $20,000,000," and content themselves instead with saying "we have no surplus, but we have supplied coal to the people of Canada, coal which is as necessary as bread or light, and they are not dependent in any way upon the United States." It seems to me honourable gentlemen, that this suggestion might be considered in attempting to solve the difficulty so far as that commodity is concerned at the present time.

Let me for a moment touch upon the question of the St. Lawrence waterway. That is a much-mooted question, and one which is more and more being brought to the attention of the people of Canada every day. It is settled now, I think, that that work is purely a Dominion work, and a matter for the Federal Government here and the Federal Government in the United States. The question of power is simply incidental to the question of navigation. There is no doubt that such a great waterway from the Gulf of the St. Lawrence to the head waters of the Great Lakes would effect a vast saving in freights, and would be of tremendous benefit to people all along the route. All of which comes down again to the fundamental principle of reducing the cost of living. Although I have no word to say against the great good that the St. Lawrence waterway would do yet we in this country know pretty well what such an undertaking would involve. If we do not, we ought to, before entering upon an orgy of expenditure, a thing which always brings misery in its trail. All I have to say in that regard is that before the project is taken up, great though the benefit accruing from it might be, it should be most carefully looked into from every point of view, and we should know just where it is going to take us before we start, and just exactly where it is going to let us down. And I say that no Government should undertake it, and I do not believe any Government will undertake it, until it knows exactly what it is going to involve in the way of cost.

I am glad indeed to know that the Government is going to appoint a Commission to look into the affairs of the Home Bank. The Home Bank failure is perhaps one of the greatest scandals that ever took place in this country. Think of it, honourable gentlemen, that a very few men were enabled, under the law as it then was, to gather in millions upon millions of deposits and to sell to shareholders thousands and hundreds of thousands of shares of stock, while they were allowed to take the money and practically without let or hinderance invest it in what? Not in legitimate banking business, but in speculation to bring to themselves individually, not as directors of the bank, the profits arising from the speculation of that money. I say that when the state of the law is such that hundreds and thousands of people can be swindled in that way, it is quite time for the Government of Canada and the Bankers' Association to get together and draft stringent laws, laws even so stringent that they might curtail the operations of the other banks, so that no band of speculators could get together and perpetrate another such swindle on the public of the country. When we realize that there will be a shortage of $7,000,000 and upwards, and that thousands of shareholders will be liable for the double liability, that thousands of depositors will have lost every cent they had, we must admit that it is time something was done. I am told—I do not say whether the authority is good or bad, but I am decidedly of the opinion that it is good—that not more than two months before the bank closed its doors—

Hon. Mr. POPE: Two days.

Hon. Mr. PARDEE: —that the directors themselves sent out to their various agents in the different parts of the country instructions to get in all the deposits possible, and that they would be paid an extra commission on the deposits they got. When that sort of thing is perpetrated, I am not a believer in too much paternalism being exercised in either House of Parliament. Perhaps we have too much of it now. But when any government takes a corporation under its ægis and grants it a charter to do business, and that charter advertises to the world that the corporation will receive deposits and make payments on them, the idea prevails that it will carry on business in a reputable way; and when that implied

promise, or implied contract, has been entirely shattered, has been blown to the four winds of heaven, then it is quite time that somebody should step in—it is quite as much if not more in the interest of the Bankers' Association themselves to step in—and see that such safeguards are imposed on these institutions as shall prevent a recurrence of what has happened. I sincerely trust this will be done.

I will not further delay the House with any views I may have regarding the matters set out in the Speech from the Throne. As I stated in the beginning, when these various measures come up I may have an opportunity to discuss them and expresss my views upon them. I have only this to say, in conclusion, honourable gentlemen, that once more I plead —and I shall never grow tired of preaching it—that there should be more and more unification. People talk foolishly about the separation of the East from the West. Can it be imagined for one moment that one part of Canada can serve without the other, that either alone is sufficient, that the East is not as necessary for the West as the West is for the East? We must build up a stronger nationalism, a stronger Canadian spirit, and if we inculcate this spirit among our people there will not be the outgoing that there is to-day and Canada will be, as she must be, one of the great nations.

Hon. J. L. COTE (translation): Honourable gentlemen: It is not without diffidence and much feeling that I rise for the first time in this Chamber to second the Address in reply to the Speech from the Throne, which has been so eloquently moved by my honourable colleague from Lambton (Hon. Mr. Pardee). In these precincts, made illustrious by the presence of men chosen from among the most eminent in our country, I recognize that my good-will alone can compensate for my lack of talent, and I rely entirely, honourable gentlemen, upon your indulgence while I briefly, very briefly, acquit myself of the task which my leaders have entrusted to me.

Permit me to say in the first place that my previous occupations, together with a recent serious illness, have not been the best preparation for parliamentary eloquence. Leaving in youth the province of Quebec, the cradle of my family, I was in turn surveyor, pioneer, explorer, following in the mountains and on the prairie the footsteps of the first discoverers, each day adding to my knowledge of my country and my love for it. In this respect I was but imitating the example set by eight generations of ancestors who had laboured on Canadian soil, and even shed their blood in its defence at critical moments in our history.

In the course of time I ceased my wanderings to establish a home in the heart of Alberta, that vast province situated on the summit of three of the great watersheds of North America, whose soil is immeasurably fertile and in whose subsoil lie immense deposits of coal and other minerals.

Our numerous rivers, fed by the snows of the Rocky Mountains, will furnish unlimited energy and a system of natural transportation which is destined to be of the greatest service in the economic distribution of our natural products, as well as in the maintenance of national unity.

Geographically the province of Alberta is situated 768 miles from the Pacific and 2,168 miles from the Atlantic. Its distance from the two oceans imposes upon its producing population high transporation costs, levying burdensome fixed charges on all property and cultivated land. In a word, it is a tax on every producer, a tax on every citizen in that vast area. This tax, known as the freight rate, has been considerably increased by the ill-advised expenditure of an enormous amount of capital. It is earnestly to be hoped, therefore, that the Government will do all in its power to reduce the serious inconveniences to us in the West due to the great distances which separate us from our markets.

Honourable gentlemen, I was lately rereading the wonderful report of Sir Sandford Fleming and his colleagues on their explorations in the Northwest Territories at the time of the construction of the Canadian Pacific Railway, and I was astonished to observe that all the most optimistic predictions contained in that report have since been realized to the letter. That eminent engineer at the time pointed out the great fertility of the soil from the 49th parallel of latitude to the Peace River, and this is demonstrated to-day by the many fine farms established in that territory in Alberta. These farms last year yielded agricultural products to the value of about $250,000,000, notwithstanding that prices were ridiculously low.

The report I have just mentioned called attention to the splendid quality of our cereals, and of this I cannot give you better proof than by quoting the prizes obtained by Alberta farmers at the last annual competition at the International Cereal Exposition of North America, held in Chicago. These may be summarized as follows:

1919—5 or 6 prizes.

1920—19 prizes, with 2 Grand Championships, one in oats, the other in peas.

1921—30 prizes, with 3 Grand Championships, one in oats, and one in each of peas and alfalfa.

1922—35 prizes, with 3 Grand Championships, one in each of oats, barley and peas.

1923—44 prizes, with 3 Grand Championships, one in each of wheat, oats and red clover.

Hon. Mr. GASGRAIN: How many prizes were there altogther?

Hon. Mr. COTE: They won as many as they could win of Grand Championships, and they won more than any other Province of the Dominion or any State of the Union.

Finally, Sir Sandford Fleming recommended that the C. P. R. line be built through the Yellowhead Pass. It is difficult to understand why so excellent a recommendation was not carried out, but was apparently obliterated with a stroke of the pen. It can well be imagined that if the Canadian Pacific Railway had been constructed in accordance with Sir Standford's proposal, the Company would have saved millions and millions; the Western Provinces would have been settled much more rapidly, and at the same time, I believe, it would have prevented a great deal of subsequent railway construction, undertaken not so much in the public interest as for private gain. I do not mean by this that we have too many transportation lines, but we have too many that run parallel, close to one another, and lack feeders. These lines, not being self-sustaining, proved in consequence to be too heavy a burden on the taxpayers of the West and could not but fail ultimately, at the expense of the state.

The Speech from the Throne announces that the Government hopes this year to balance its budget. I am pleased to observe that it has realized the necessity for economy in all public affairs. In the last dozen years, particularly on account of the war, taxes have considerably increased. It is therefore desirable to give as much relief as possible to the taxpayer. I believe it is likewise important to make a careful revision of the tax-scale in order to remove certain inequalities which weigh more heavily in a period like the present, when taxes are high and hard to bear; remembering always that the agriculturist cannot adjust his taxes by adding to the selling price, but must pay in real money.

Agriculture being our most important industry, being indeed the very foundation of our economic life, I hope that the Government will decide to remove the duty on implements required for production. This would greatly facilitate the development and progress of the great provinces of the West, at the same time creating new or larger markets for the manufacturers in the eastern provinces. There would result a stronger feeling of unity among the different provinces, and the entire country would benefit.

The world war, the ruinous effects of which are still felt throughout the world, struck us at a time when our progress was at full tide, when our population was rapidly increasing, thanks to the vigorous policy of advancement and expansion carried out during the fifteen years of energetic and wise administration by Sir Wilfrid Laurier. The great catastrophe brought us to a sudden stop and has long delayed the realization of our hopes. I like to think, however, that the vigorous and wholesome policy of immigration, and especially repatriation inaugurated by the Government, will bring to us the labour we need for a great increase in our agricultural production, which will contribute to the prosperity and development of Canada as a whole.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it is customary on an occasion like the present to extend our congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne. My honourable friend who moved this Address has been for so many years associated with the political activities of this Dominion that it is entirely unnecessary to address to him any words of encouragement from this side of the House. Suffice it to say that what he has said this afternoon very largely coincides with the situation as viewed by most of us, except the position which he has taken upon the Branch Lines Bill.

My honourable friend who has seconded the Address comes from my own Province, and I not only extend to him our congratulations upon his becoming a member of this Chamber, but would also express my satisfaction at his appointment. For a great many years he has been prominently identified with the development and progress of the Province to which we both belong. He has been not only an active member of the Legislature of that Province, but was for some years in its Government. I am sure that my honourable friend's presence in this House will be an acquisition to the Chamber.

I have read with considerable interest the Speech from the Throne. Certainly, one arriving here from another sphere and entirely unacquainted with the affairs of Canada

would, from the Speech, regard the situation as one of the most satisfactory and prosperous that the human mind could conceive. It seems to me that this Government is entirely under a misapprehension as to the real condition of the country generally. That may be attributable to two causes: one is that it is unaware of the public sentiment prevailing in the country, particularly among business men and farmers, on the two very important questions of expenditure and taxation; or it is just possible that, since honourable gentlemen have taken office and occupied the seats of the mighty, they have been so removed from public sentiment as to be entirely out of touch with the necessities of the present moment, so far as the administration of public affairs is concerned.

I am not going to charge the present Government with the entire responsibility for the situation as we find it to-day. My desire rather is to direct attention to the condition of affairs which we have found developing in Canada for a great number of years, and which should occupy our attention for their improvement. Since the cessation of the war, we have heard a great deal on the question of reconstruction. The late Government may be said to have been a war Government. There was scarcely time, after the cessation of the war, seriously to take up a comprehensive policy of reconstruction and to deal with the many institutions growing out of the war which badly required the strictest investigation. Before that Government went out of office, as an earnest of its sincerity and of its intention not only to improve the public service but to reduce the public debt and the burden of taxation, it entered upon a comprehensive programme looking toward that end. The question of the reorganisation of the Public Service was seriously entered upon, and the two or three Departments that were overhauled and reorganised demonstrated beyond any question that a substantial amount of money could be saved through the reorganisation of the Service. There was considerable criticism as to the particular individuals or corporations placed in charge of the work; but, notwithstanding the adverse criticisms which were advanced from time to time, both in the press and by the public, no others were mentioned as capable of assuming the work, and I think I can say with a degree of confidence that it was impossible for the Government to secure anyone else who had special qualifications to enter upon that very important undertaking.

Hon. Mr. BELCOURT: Would my honourable friend allow me to ask him what was accomplished in the way of reducing the public expenditure on the occasion he speaks of?

Hon. Sir JAMES LOUGHEED: There was, for one thing, a reorganization in the Printing Bureau that saved this country nearly $1,000,000 a year; there was a reorganisation of the Customs Department, I think; and when my honourable friends came into office, they proceeded to undo the work which we had accomplished, and that added to the burden on the country. A reorganisation of the Post Office Department was entered upon, and had the Government been permitted to proceed with that work, or had my honourable friends, when they acceded to office, taken up that very important responsibility, there would have been saved to this country, I venture to say, another $1,000,000 annually. Speaking of the reorganisation of that particular Department, I understand that it was said that 50 per cent of the employees of that Department might be dispensed with and the public service not suffer therefrom. So I might say that there was evidently a desire on the part of the late Government, a desire which was demonstrated by some practical work, to enter upon the reformation and reorganisation of the Public Service.

As I have said, since the cessation of the war reconstruction has been in the air. The late Government was fully aware of the fact that this responsibility devolved upon it if continued in office, or would devolve upon its successors. This is the Third Session of Parliament under the administration of the present Government; and yet until Parliament was actually summoned we heard nothing about a reduction of expenditure or of taxation. The present Government sailed along with its head in the air apparently entirely unaware that there had been a great war, that there had been an inflation of the public services, that expenditure had been pyramided upon expenditure, and taxation pyramided on taxation, and it was not until the great commercial bodies of Canada, made up of Chambers of Commerce and Boards of Trade and Bankers' Associations and Manufacturers' Associations, and municipal and other representative bodies, rose and protested against the onerous taxation which was being imposed upon the people from month to month, that anything was done. I am unaware of any sincere step taken by the present government until two months ago with the object of reducing expenditure and thus reducing taxation.

I need hardly point out to my honourable friends what our Allies in the late war have

done, as they are probably as familiar with it as I am; but, with a view of directing attention to the activities of other governments, more particularly those of our Allies, may I refer to a few figures in dealing with this very important question? Let me instance as an example the statement made by the late Prime Minister of Great Britain, Mr. Baldwin, who, before going out of office, said:

Those in charge of the public purse since the first year of peace have reduced the expenditures of the country from over £2,000,000,000 a year to but little over £800,000,000. The staff in the Government offices have been so greatly reduced that there are now only ten per cent more officials at work than before the war.

That is to say, it was reduced from war-service establishment to within ten per cent of pre-war conditions.

And here it must be remembered that the work of the public administration has been enormously increased owing to the pensions and other services introduced during and caused by the war. Though nearly half our income goes to the payment of interest on debts, we have in three years out of income reduced our debt—

And honourable gentlemen will have noticed the activity of the British Government three years ago.

—we have in three years out of income reduced our debt by £450,000,000.

Which represents over $2,000,000,000.

Since the Armistice we have nearly halved the floating debt. It was £1,500,000,000. It is now only £800,000,000. We have paid off in addition all our foreign debt, except to America, we have balanced our budget, and we have established a sinking fund. These things have been hard to do, but we have maintained the credit of the country.

Now, may I point to what the United States has done since the cessation of the war? And may I preface this statement by some sentiments expressed by President Coolidge upon the importance of dealing seriously with this particular subject?

For seven years the people have borne with uncomplaining courage the tremendous burden of national and local taxation.

These taxes must both be reduced.

The taxes of the nation must be reduced now as much as prudence will permit, and expenditures must be reduced accordingly.

High taxes reach everywhere and burden everybody. They bear most heavily upon the poor. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessary of life.

Of all services which the Congress can render to the country, I have no hesitation in declaring this one to be paramount.

To neglect it, to postpone it, to obstruct it by unsound proposals, is to become unworthy of public confidence and untrue to public trust.

The country wants this measure to have the right of way over all others.

Now let me point out to you what the United States has done:

The United States last year reduced its liabilities by nearly two thousand million dollars. When the war ended the American Government appointed a non-political commission to investigate the then existing expenditures, and to bring in an economy budget. War-time staffs were cut to peace-time proportions and savings were put into effect in all spending departments. Consequently last year the United States treasury showed a surplus of $323,000,000. The American Secretary of the Treasury is now proposing to give this entire sum of $323,000,000 back to the people in the form of relief from war-time taxes. He has announced a reduction of income taxation, repeal of amusement tax, of certain stamp taxes and other taxes.

I need not enlarge upon the necessity of Canada marching in step with the United States. My honourable friend from Lambton (Hon. Mr. Pardee) has stressed that point, and it is obvious to everyone present that, if Canada is to keep abreast with the United States, if our people are not to be absorbed by the Republic on the other side of the line, living in this country must be made as cheap as it is in the United States. And just here may I refer to the debt reduction of the United States?

The public debt of the United States has been cut more than $4,800,000,000 in the four-and-a-half years since the Great War indebtedness was at its peak, August 31, 1919.

Figures made public to-day by the Treasury show that at the opening of business Saturday the national debt was $21,781,966,852. It has been reduced $933,000,000 in the last year.

And, again, may I quote in reference to the proposals of the United States in regard to the reduction of income tax. Anyone who has the breath of patriotism in him, and who desires to see Canada make progress and hold its own with the United States, must give most serious attention to problems of this nature. On an income of $3,000, the Canadian scale is $40, the American scale nothing. On an income of $4,000 the Canadian scale is $80, the American scale $15.75. On a $5,000 income the Canadian scale is $120, the American scale $38.25. On an income of $6,000 the Canadian scale is $150, the American scale $72. On a $7,000 income the Canadian scale is $270, the American scale $99.

Now honourable gentlemen, this is a serious problem. This country cannot maintain the rate of taxation under which we are labouring to-day, a taxation which has to be paid by the people in middle life who constitute the masses, and yet compete successfully with the United States.

Hon. Mr. CASGRAIN: How do they go when they get into big amounts?

Hon. Sir JAMES LOUGHEED: The United States proposes cutting the super tax by twenty-five per cent.

Hon. W. B. ROSS: Thirty-three and one-half per cent.

Hon. Sir JAMES LOUGHEED: That is the reduction proposed. It may be increased.

There is a phase of income tax which amounts practically to confiscation. We in Canada held up our hands in holy horror when it was suggested that if the Labour party came into office in Great Britain there would be a levy on capital. In the case of the larger incomes the income practically becomes capital because many of the wealthier classes may not spend more than ten or fifteen per cent of their income, and thus add to their capital, which goes into the many industrial activities of the nation. But immediately we bring that money within the compass of the income tax you cannot expect the capitalist who thus has his capital confiscated to become interested in the industrial activities of the nation. He says at once: "No, I will not take chances on going into the development of natural resources or the building up of the industrial resources of the nation; I will put my capital in Government bonds and that class of security which is non-taxable." For instance, honourable gentlemen, I venture to say that most of the war-bonds which we have issued in the Dominion of Canada as non-taxable are held by the wealthy men of Canada, and instead of their incomes going into the development of our resources they are locked up in the vaults of the various banks and trust companies of the country.

Another consideration is this—and I have only to mention it, I fancy, to impress upon honourable gentlemen the truth of the statement: There is no development going on in Canada to-day for that reason. Go into our cities and you will observe that any building, or any development whatever, is most exceptional. Are there any new industries being built up in Canada? If there are, I am not aware of them, and I have been from one end of the country to the other.

Hon. Mr. POPE: They are shutting them up.

Hon. Sir JAMES LOUGHEED: They do not come under one's observation. On the contrary, one is shocked by the great number of industries which are being closed up. And it is all due to the fact that we are following a most suicidal course in practically confiscating the capital that should go into the activities of trade and industry.

I have read, honourable gentlemen, what Great Britain has done, and what the United States has done. Let us consider what Australia and New Zealand have done along the same lines. Australia is using an annual surplus of revenue over expenditure to reduce her public debt, which in 1922-23 was £335,000,000 or less than two-thirds of our own. And here is what Prime Minister Massey, of New Zealand, writing in the Nineteenth Century, says about what his own country is doing:

> For the year ending March 31st last, the Government was able to announce a surplus of £1,315,638. Last session it became possible to reduce the income tax by twenty per cent; to reinstate penny postage; to remove the income tax from farmers, and leave them subject only to the land tax; to assist ex-soldier settlers to the extent of probably two millions sterling; to increase soldiers' pensions in the aggregate by about eighty thousand pounds per annum; to abolish the amusement tax on admission on all tickets not costing more than one shilling, and also the duty on tea.

May I add to what I have already mentioned, that in this evening's Journal appears the following cablegram, which will illustrate what further efforts are being made by the Government of Great Britain to reduce expenditure and taxation:

> London, March 4.—A saving of £37,000,000 is shown in the estimates for the Civil Service and Revenue Departments for 1924-25, now available, the figures being £289,874,727, as against £327,212,872, the previous year. The principal reductions are £7,500,000 for the colonial services; £6,750,000 for the Ministry of Pensions, nearly £3,000,000 for the middle eastern services, and $2,000,000 for the Ministry of Labour.

I would commend to my honourable friends' attention the efforts that are being made by those nations to reduce their debt. The burden is crushing us in Canada. It is strangling industry, paralyzing trade, and will destroy our national future if some immediate change is not made.

So that honourable gentlemen may not think that I am moved to make this criticism by the statements which have appeared in the press and the resolutions which were passed by commercial bodies during the past summer, may I remind you that at last Session I directed the attention of this Chamber to the situation; and, if the House will pardon my repeating what I then said, I shall read a short extract:

> This is not an exaggerated statement. We are imposing taxation to such an extent as to throttle business, prevent development and progress, and bring about final collapse. The Government of the day is not showing the slightest interest or intention of grappling with this very important problem. We have taxing bodies multiplied throughout the Dominion. We have the Federal Government imposing taxation; we have the Provincial governments imposing similar taxation, such as the income tax; and many of the municipalities have power likewise to impose income tax. The provinces to-day are imposing a direct tax upon property as the municipalities are doing; and, unless some intelligent effort is made to deal with this very important subject, Canada will be taxed to a condition of disaster.
>
> There certainly should be some organization of experts to take up this matter with the provinces and the municipalities so that there will not be this multiplicity of taxing bodies imposing similar taxes. I say this, honourable gentlemen, not with a view of criti-

cizing the Government, but simply to point out the duty of the Government at this particular crisis.

Apparently we are still bent upon the same course; for the so-called reorganization of the Public Service amounts to very little. It will at best effect an economy of only about $20,000,000 annually. The unfortunate effect of our present course is that in our expenditure and our taxation we are setting the pace for the provinces and the municipalities. There is scarcely a province or a municipality in the Dominion that is not in the running with the Federal Government in increasing its expenditure and its taxation, so that we now have three taxing bodies in the Dominion, triplicating the tax imposed by the Federal Government.

Honourable gentlemen may ask in what way this can be prevented. Well, if it is permitted without any effort on the part of the Federal Government, it will in my judgment result in national disaster. It is bringing about that result to-day. One hesitates to speak about this, honourable gentlemen. I have no desire to refer to the great loss of population we are suffering. I agree with what my honourable friend from Lambton (Hon. Mr. Pardee) says about the maintenance in Canada of a patriotic spirit and a feeling of optimism which will result in the development of the magnificent resources and potential wealth which this country possesses. But, honourable gentlemen, we cannot live upon this kind of sentiment. Canada has demonstrated probably better than any other nation its patriotism and its pride in itself. During the late war no other nation representing nine millions of people performed such prodigies of service and of valour as did Canada at that time. It is needless to repeat that Canada, as an earnest of its patriotic spirit, sent to the front 500,000 men and spent two billions of dollars upon war, and that 60,000 of her sons lie buried on the battlefields of France. The people of Canada cannot demonstrate their patriotism more than they did during the late war. But, honourable gentlemen, this has become an entirely different matter. We can best show our patriotism to Canada by cultivating a proper attitude of mind in facing our financial responsibilities, and as I have already stated, unless we take up this problem seriously it will result most disastrously for Canada.

Those of us who come from the West have some knowledge of the effect of the situation upon the development of that western country. There is no part of the world with greater potential wealth than the Northwest of Canada. We have to-day in those three Western Provinces, at least 200,000,000 acres of arable land, only 18 per cent of which is settled. But, it is estimated, there are to-day in those three Provinces fewer farms than there were five years ago. Our last decennial census establishes the fact that between 1901 and 1921 this country brought in about 3,700,000 immigrants, but by 1921 our increase in population had fallen short of that number by 160,000. It simply means that we have been standing still during that period, and that many of our people have gone to the United States; That is to say, that notwithstanding what we have gained by natural increase, we have lost the entire volume of our immigration. I know of no more patriotic work, honourable gentlemen, than for the people of Canada to give more serious consideration to the rectification of the many abuses from which we suffer to-day.

As I said in the beginning, it is not my intention to direct this criticism against the Government. I say it is a condition that has prevailed in Canada for many years. Unfortunately we have an antiquated system of governmental administration. I do not speak of our parliamentary system, but I say that the administration of the affairs of Canada is antiquated, is archaic. We have no machinery by which public affairs may be administered properly, or as efficiently as business is transacted by the large corporations of this or any other country. Honourable gentlemen know that most government business is transacted departmentally. We have not in any of our Departments of Government the proper means for the solution of important problems involving great economic questions, or having to do with the development and progress of our country, or the successful administration of its affairs.

Let me illustrate what I mean. I will take three or four subjects to show the futility of our machinery in dealing with important matters. Take for instance the agricultural situation in the West. We know that for years there has been throughout the Northwest a seething discontent. We know that an outward and visible sign or expression of that discontent was given on the eve of the last election, when a new political party sprang up in a night and extirpated the two old-line parties. You could not have anything more significant than that. Yet nothing has been done and apparently nothing can be done by the Government with its present machinery to investigate the many reasons for this discontent and this failure of development. It cannot be done departmentally. The Government, as a Government,

cannot do it satisfactorily with its present machinery. Yet I am satisfied, honourable gentlemen, that if this country were being administered by the men who manage our great railways, our banks, or other financial corporations, they would investigate the situation and determine what is really the difficulty. We are at present helpless to deal with it. I say that if the Government had proper machinery for examining into great questions of this kind so that a pronouncement could be made, that pronouncement would be accepted by the people of Canada as conclusive. But no pronouncement on the subject can be made to-day. True, we appoint a Royal Commission and place upon it three or four men who are absolute strangers to the problems to be investigated. They are gentlemen of leisure, or they are gentlemen in need. They are sent out through the country, at the expense of the Treasury, for the purpose of examining into something about which they know nothing, and about which, when they conclude, they will know less than when they began.

The futility of the machinery which we have in dealing with large questions may be demonstrated also in this way. During the war, when large questions were under consideration, when great problems had to be solved, did the Government of Canada, or did the Government of England, rely upon departmental machinery to solve them? No. The Government of Canada called in boards of experts for nearly every phase of the war which had to be dealt with. They were business men; they were experts in the particular subject under consideration. They were not military scientists, but business men with a comprehensible knowledge of business problems. When the United States wished to cut down expenditure what did they do? Did they have their departmental experts make inquiry? No, honourable gentlemen; they appointed a non-political body, and that non-political body cut down expenditures in accordance with what I have read. What was done in England? When Great Britain recognized that her expenditures had to be lopped off, had to be cut to the bone, so to speak, did she leave the task of investigation to governmental machinery which has been in operation so long that memory runneth not to the contrary? No. Outside experts were called in and instructed to deal with the situation just as in the case of a financial or commercial company. And, honourable gentlemen, that is what should be done here. I say it is impossible to curtail expenditure unless the authority dealing with the matter is specially charged with doing it. I say that a Government, Members of Parliament or Deputy Ministers, by means of the machinery we have, in Parliament, in the Government, or in the Departments, cannot do it, because everything is against it. The pressure which is brought to bear by constituents and by all parties concerned is entirely opposed to reduction of expenditure. Let me instance the case of a Minister who attempts to cut down the expenditure of his Department. What immediately confronts him? His constituents protest against such a reduction. They must have patronage. If the proposed reduction relates to the Civil Service, the friends of the men who are going to suffer by the curtailment at once attack it. A Deputy Minister cannot cut down the expenditure of his Department; at least, it is exceptional for him to be able to do so; because every man under him is protesting against the reduction of that expenditure, and he must depend upon the loyalty of his staff if he is to administer his department successfully. Consequently the entire pressure is along the line of expenditure. If in the House of Commons the Government should attempt to cut down the pork-barrel distribution of prestige or of patronage, members are up in arms; they are not going to stand for it; their constituents insist upon this; and so on. Fundamentally, honourable gentlemen, it is all wrong. Unless we have properly constituted boards appointed for that purpose, who have nothing to gain and who are answerable to Parliament, satisfactory curtailment will not take place.

My honourable friend has alluded to the Audit Board being charged with the cutting down of expenditures. While the Audit Board has probably done most excellent work up to the present time, it is not at all adapted for this particular purpose. The Audit Board is made up of gentlemen who are accountants. That Board is not made up of men familiar with organization and with the carrying on of great constructive and administrative work. This Government could constitute a Board of the best experts to be found in Canada, borrowed, if necessary, from the railways and great financial institutions, to re-establish the Departments on the principles of the great institutions from which these men come.

Hon. Mr. BELCOURT: May I ask my honourable friend if he has any reasonable hope that a Government of either complexion would follow the recommendations of those special Boards, of which he speaks? Does not the pork barrel exist pretty nearly everywhere where there is party government?

Hon. Sir JAMES LOUGHEED: There was never a more opportune time than the present. I do not believe that in the history of our civilization there has ever been a time when the public and governments have been so impressed as at present with the fact that the old system must be radically departed from.

Hon. Mr. BELCOURT: Is it not a matter which is more for governments than for boards?

Hon. Sir JAMES LOUGHEED: We of course have a strange conception of government. Government has been handed down to us traditionally. We have associated it with the periods of autocracy when the Sovereign appropriated the revenues of the Crown to himself irrespective of the voice of the people. Government as we know it to-day was finally wrested from an autocratic sovereign, and the will of the people prevailed, and to-day we quote it with authority, and look upon it as an Ark of the Covenant on which our hands must not be lade. But, after all, government is only a human institution. It is as human as any institution we have, and there is no reason why business men, not only in this country but in any country should not revise their system of government. We have the same antiquated, archaic system to-day that we had at the time of Confederation, although our debt to-day closely approaches $3,000,000,000 and our revenue will closely approach half a billion dollars, whereas at the time of Confederation our Supply Bill did not exceed $20,000,000, and it is doubtful whether the revenue of the country exceeded the same amount. Yet, we have not readjusted ourselves. The world has grown since that time. The greatest war in history has been fought since then, and has revolutionized every institution of civilization. But still we go on applying the old machinery without any attempt at readjusting. I say that the time has arrived when the intelligent men, not only in Canada but elsewhere, should apply business methods to government exactly as they apply them to the business organizations to which they belong.

Hon. Mr. BELCOURT: May I be permitted to ask this question? My honourable friend points out—and I am not prepared to entirely disagree with him—that this government's expenditures ought to be subject to inquiry by special boards. May I point out to him the signal failure to produce the results he hoped for in a very notable instance?

Hon. Sir JAMES LOUGHEED: Would not my honourable friend do very much better by making a speech? I should like to hear my honourable friend expatiate upon that subject. It is one worthy of my honourable friend's thought, and I hope he will give the House the benefit of his views.

We have already confessed to the weakness of our departmental machinery by appointing a Railway Board. We entirely eliminated the administration of that very important utility, the Intercolonial Railway, from the Railway Department, because we said the Department could not administer it. We did the same thing with the Grain Board. We placed upon the Statute Book a confession that it was impossible for the Government to administer properly the great wheat crop of the West.

Hon. Mr. BELCOURT: May I point out that notwithstanding the reports made by experts we have not been able to get our Government to follow their advice. Take the Hudson Bay railway, for instance, and the deepening of the Welland canal for the benefit of the Americans.

Hon. Sir JAMES LOUGHEED: Even the present Government has outlined a Board for rectifying those abuses which I point out, so my honourable friends may follow the operations of this Board.

Hon. Mr. BELCOURT: My trouble is that I do not think the Government will follow the recommendations.

Hon. Sir JAMES LOUGHEED: If this Government is too obstinate to do this, the only thing to be done is to replace it by another. I can only say that I know a Government that will carry out its advice along this line.

I was going to refer to many other matters, but I have kept the House much longer than I intended, and I have exceeded my time. I must say that it is very gratifying to learn from the Government that they are so deeply interested in the many large problems foreshadowed in the Speech from the Throne, and we shall look forward with a great deal of anxiety and interest to the crystalization of what is proposed into legislation, and I would suggest to my honourable friend the leader of the House that the Senate should be kept busy in the earlier months of the Session by giving due consideration to the many measures which, as I have said, are promised. They all deal with large questions, national questions, which enter not only into the future of Canada, but into the everyday lives of our people, and I express the hope—and there is no reason why we should not look forward to its realization to some extent

—that the legislation which has been promised so abundantly in the Speech from the Throne may be prepared with due regard to the promotion of the best interests of Canada.

Hon. RAOUL DANDURAND: Honourable gentlemen, it is with great pleasure that I join with my honourable friend opposite (Hon. Sir James Lougheed) in expressing our appreciation of the interesting speech delivered by the honourable member for Lambton (Hon. Mr. Pardee), a gentleman who has had a brilliant career in the other House, and who will continue to help us with his good advice and experience in this Chamber. With my honourable friend I welcome the honourable gentleman from Edmonton (Hon. Mr. Coté) who has seconded the Address. He has given us a splendid picture of his own adopted Province, Alberta. He has told us of its prosperity and immense possibilities in natural resources, and I am sure that he, in conjunction with the other members who come from that province, will keep us well posted as to the needs of that part of the country.

My honourable friend who represents in this Chamber the Conservative thought of this country, although coming from the West, which seems to be tainted in some spots with radicalism has given satisfaction to those Conservative elements in the East that have been awaiting for some time a true leader representing a true and undiluted conservatism. I am always happy to hear him, because he has given thought to the many questions which come before us. He has had the responsibility of ministerial office, and he knows the difficulties of administering this country; and although he has not in his time brought about the millennium, he does not ask from his successors the same idealism which would bring us to that high level. He has indicated that the departments of the Government were started towards reorganization after the war, and has told us that the Printing Bureau and the Post Office Department were overhauled and that their personnel was reduced before his Government went out of office. Now he tells us in so many words that if he had remained at the helm with his friends, he would not have waited for the year 1923-24 to bring about a complete readjustment, but that his Government was fairly on the way to attain that object in 1921-22.

I would like to draw the attention of my honourable friend to the fact that in 1921-22 the total disbursements amounted to $463,652,436; and that in the following year, which was under the care of the present Administration, the total expenditure was reduced to $434,452,340, or by nearly $30,000,000. I would also draw my honourable friend's attention to the fact that the incoming Administration had to face an item of $308,324,903 of uncontrollable expenditure, which leaves but the sum of $126,127,437 of controllable expenditure.

If my honourable friend will bear that figure in mind, it will be easy for him to realize that in the compression of the budget we could not look beyond this controllable amount. What was the controllable expenditure in the few years which preceeded the war? In 1910-11, if we deduct the uncontrollable expenditure, we find that the controllable expenditure was $97,676,377: for 1911-12 it was $106,696,920: for 1912-13 it was $117,597,232; and for 1913-14 it was $158,627,828. So in 1922-23, the present Government had reduced the controllable expenditure to $126,127,437, which was well below the controllable expenditure of 1913-14.

But my honourable friend says we have not gone fast enough, that we have waited to be stirred by an aroused public opinion. I draw the attention of my honourable friend to the fact that to-day, after two years of administration, we are able to come before Parliament and make a statement which surprises not only this Chamber but the public at large, namely, that when this fiscal year is over we will have balanced the budget. This statement was so little expected that quite a number of honourable gentlemen around me and elsewhere can hardly believe it. Let them wait and see.

Hon. Sir JAMES LOUGHEED: Will you reduce taxation substantially, may I ask?

Hon. Mr. DANDURAND: We will; but we could not reduce taxation until we had balanced the budget.

Now, how do the Civil Service and the other services under the Crown in Canada stand to-day? The Civil Service stands with a reduction of 3,959 persons. That reduction has not been accomplished in a day.

Hon. Mr. BELCOURT: Compared with when?

Hon. Mr. DANDURAND: With the first of January, 1922. The reduction went on to a certain extent during the first year, and has been continuing to the present time. In speaking of this reduction, I am not referring to salaries, but merely to the number of individuals. I have asked to have produced before the Senate Committee statements of the personnel of the different Departments as of the first of July, 1910, 1914, 1918 and 1922, and we will later bring them up to 1924. The reduction which I have mentioned

will be verified, and I am convinced that we shall find that considerable further reduction can be made. I may be in error, but I believe, and am in hopes, that the work of the Senate will help the Audit Commission, which will pass upon the activities of the various departments.

My honourable friend claims that business men should be called upon to examine into the Departments and into the expenditure of the Public Works Department and the Railway Department. Whatever commission is appointed, whatever body of business men is called upon, their work will have to be accepted by the Government and by Parliament. I draw the attention of my honourable friend to this situation: during the many years when he sat in the Government he must have done similar work, but his time was mainly during the war period when money did not count. There was an orgy of expenditure. Everybody went wild. We must sober up, now that we have to pay the bills. My honourable friend has sat in Council considering Estimates and has weighed the items one by one, week after week. On that Board were business men who could bring their experience to bear upon the problems which they had to examine and solve. I may tell my honourable friend that for many weeks this Government has examined into the Estimates and weighed every item of expenditure, and he will judge of our work when the Estimates are brought down. He will find the reductions quite to his liking.

Hon. Sir JAMES LOUGHEED: I am glad to hear that.

Hon. Mr. DANDURAND: Now, we could not have balanced the Budget, except by a reduction in expenditure. But there are expenditures which seem to be important and are being called for everywhere. I have laid down for myself the rule that at present they must be either essential or remunerative. My honourable friend knows that a Cabinet composed of fifteen or sixteen members representing various Provinces and in close touch with the people may not always see eye to eye with the representative from this Chamber. There are requirements which they know better than does the representative from this body. There are obligations upon them which they feel must be met. One has but his limited view of things. The representatives from the Commons in the Cabinet have their local knowledge of affairs, and of the needs of their respective provinces.

My honourable friend has said that there is considerable uneasiness throughout the land. Yet he will recognize that general conditions in the country are good. Production during the past year has been large. Our trade expansion, our foreign business has increased. Our transportation system has shown better results. Employment has been plentiful throughout the land. There have been times this year when there was even a shortage of labour in some centres. Public finance is better. The announcement which we are able to make shows that. We have an increased income and a decreased expenditure. My honourable friend must of course take that statement without having the Estimates before him. I am desirous of having him look minutely into the next Estimates to be brought down. I know that there are shadows in the picture. I know that we have an emigration problem, but this problem is easily explained. Wages in the towns and cities of the United States have been double those of our own people. There is a temptation for the wage-earner to cross the line and obtain that larger wage. On our farms, in our rural communities, both in the East and in the West there has been uneasiness, there has been discontent. The reason is not difficult to find. In many places production has been greater, but the prices have been low. Our people who have crossed to the south have not been going to the farms. Had they done so they would have found on the other side as bad a condition in the rural parts as existed in their own neighbourhood in Canada. They have been going to the towns and cities.

Hon. Mr. DAVID: And to the manufacturing centres.

Hon. Mr. DANDURAND: My honourable friend says to the manufacturing centres, but he must not forget that there has been cause for a labour shortage on the other side of the line. That labour shortage is due to the practical prohibition or considerable restriction of immigration from European countries, but not from Canada. Canadians have therefore had an opportunity which has been denied to wage-earners from Europe. There is in some rural communities in Canada a certain amount of dissatisfaction because during the war the people enjoyed higher prices and lived more comfortably; but to-day the prices are normal or at pre-war levels, whereas the things they buy have not come down in proportion. It is very easy for anyone to increase his personal or domestic budget, but we all know how hard it is to reduce it. One of the fundamental reasons for the present disturbing elements in our economic field in this country has been the wage paid to labour in towns and cities and on our railways. I am not recriminating. By reason of war conditions they obtained a considerable increase in

wages, and they have refused to let go of that increase. I merely state a fact. They claim their right to retain what they have, because the cost of living has not decreased; but they have failed to realize that it is mainly because of the high wage they receive that the cost of living remains high. Why should I reproach them with their desire to maintain their present wage? Do we not see throughout the world evidences that one thinks first of himself? The wage-earner who has been able to double his pay thinks he should look after himself first and retain that high wage. The real trouble has been that farm labour is given very meagre recompense as compared with the wages of labour in towns and cities. Hence the complaint from the farmer particularly against the high cost of manufactured goods. The farmers have been complaining that while their own products were being sold at a reduced figure, manufactured goods which they had to buy were at a high level. Strange to say, we now hear some of our manufacturers also complaining. But, happily, both on the farm and in the towns and cities, all have been at work, and, as I have said, there is less unemployment than heretofore in Canada, and our country is in better condition, I would say, than any other country in the world.

Hon. Mr. McMEANS: What about the conditions in the West?

Hon. Mr. DANDURAND: Conditions in the West have been improving, and, except in a certain part of Manitoba, they have had a splendid crop. It is true, they have not sold that crop at a very high figure and we hear them still complaining of their lot; and I sympathize with them. They are passing resolutions and asking for remedies. In their demands they also want reduced expenditure, but at the same time they ask for the construction of the Hudson Bay Railway. It is evident that they want a reduced tariff.

Hon. Sir JAMES LOUGHEED: You are going to give it to them too, are you not?

Hon. Mr. WATSON: Certainly.

Hon. Mr. DANDURAND: They believe that the tariff as it stands, in regard to most things, tends to keep prices too high. They find that the selling price of their own products is governed by world conditions, and they clamour for a reduction in the cost of living. At the same time I recognize that, while they are asking for a reduced tariff, the manufacturers' association is clamouring for an increase. It is in the Parliament of Canada that those conflicting interests meet. It is for the Government and Parliament to try to hold the scales evenly between those two big contributors to our wealth, the agricultural interest and the industrial.

I have said that the manufacturers were clamouring for a higher tariff. Those who have been either in public life or in business know of the difficulties of tariff adjustment. It is no easy matter to make a tariff that will suit everyone. It is difficult even to get the beneficiaries of a tariff to agree among themselves as to what is equitable. I remember that in 1903, 1904 or 1905 the Manufacturers' Association tried their hand at the preparation of a scientific tariff. They set their various sections to work—the iron, steel and textile industries and all the various other branches—in order to try to reconcile the interests in those different sections. They found the work so difficult that they abandoned it. They never concluded their labours, because the difficulty of harmonizing different interests was insuperable. The raw material of one industry was the finished product, or part of the finished product, of the other. There was such pyramiding in preparing a tariff that would satisfy the raw-material man and the subsequent users that the work had to be abandoned. I recognize that the revision of a tariff, or even the mention of a tariff, in the Parliament of Canada, frightens the manufacturer. When the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) tried his hand at readjusting the tariff, I remember what alarm he created among the manufacturers of Canada, and the recriminations which resulted from the slight alterations that he made. Again in 1897 the manufacturers were—I will not say scandalized, but they were frightened at the first preference which was given to Great Britain. They gradually perceived that, although they had been fearful, no harm was done, as they prospered under that tariff. In 1911 they went into a frenzy when Mr. Fielding, after his negotiations, brought back the proposed treaty for reciprocity in natural products. They were not affected, yet it seemed as if the temple had been shaken down upon their heads. They cruelly, selfishly, banded together to close the door of the United States to the Canadian farmer.

Hon. Mr. ROBERTSON: The United States farmers did that.

Hon. Mr. DANDURAND: No, no. Congress passed the law and it remained on the Statute Book at Washington up to last year. Perhaps it is still there. But it was the vested interests in the East who succeeded in raising

such a storm that the reciprocity proposal was rejected.

My honourable friend (Hon. Sir James Lougheed) said that overnight the West had banded together and formed a third party, rejecting the other two. I verily believe that that organization started from the day that the East denied the West the American market which was at its door.

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

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

THE SENATE

Wednesday, March 5, 1924.

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

Prayers and routine proceedings.

CIVIL SERVICE HOLIDAYS

On the Orders of the Day:

Hon. G. H. BRADBURY: Honourable gentlemen, I desire to draw the attention of the Government of the day to a matter to which I think their attention ought to have been drawn some time ago, and that is the custom of this Government, and the late Government, in defying an Act of Parliament. In 1918 Parliament passed a law declaring what should be the public holidays in Canada, and ever since that Act was passed it has been systematically ignored. I will place on record the statutory holidays in this country. I read now from the Statutes of Canada, 1919-20, Chapter 41, clause 6:

The Civil Service Act, 1918, is hereby amended by inserting therein, immediately after section thirty-three, the following section:—

"33A. The following days and none other shall be the holidays to be observed in and by the Civil Service:—

(1) Sundays;
(2) New Year's Day;
(3) Good Friday;
(4) Easter Monday;
(5) Victoria Day;
(6) The birthday of the reigning Sovereign, or the day fixed by proclamation by the Governor in Council for the celebration thereof;
(7) Dominion Day;
(8) Labour Day.
(9) Christmas Day;
(10) Any day appointed by proclamation by the Governor in Council to be observed as a general fast or thanksgiving or as a holiday."

I presume, honourable gentlemen, that it is in view of this last clause that the Government assume that by Order in Council they may declare a public holiday for the Civil Service of this country. I submit that if the present Government has declared to-day a public holiday under this statute, it is absolutely illegal; that it is not within their rights to declare this a holiday, in the face of this statute. This practice has been going on year after year. To-day is only one of four or five days which the Government have been illegally declaring as holidays, notwithstanding the law. When it is remembered that each of these holidays is costing the country between $200,000 and $300,000, perhaps you will realize how serious the matter is. We have in Canada, in round numbers, 40,000 civil servants, and every one of these is entitled to the holidays provided by this statute. Perhaps it is under paragraph 10 of the clause that the Government declares this day a holiday. That paragraph reads as follows:

Any day appointed by proclamation by the Governor in Council to be observed as a general fast or thanksgiving or as a holiday.

I submit, honourable gentlemen, you cannot read into this clause any power conferred on the Government to declare a holiday for the Civil Service. It simply means that if the Government desired to declare a general fast day throughout Canada for all the people, they would then be within their rights; but I wish to point out to this honourable House that it is illegal and unjustifiable to declare this day a holiday.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not know that my honourable friend has the right to raise this question as one of privilege.

Hon. Mr. BRADBURY: It was a question raised on the Orders of the Day. I presume I have a right to raise it in that way.

Hon. Mr. DANDURAND: On the Orders of the Day there are of course certain questions that may be raised, but they are limited in number. They are questions that are so pressing as to justify their being brought up without notice. Now, my honourable friend has failed to observe that he is condemning the House of Commons for their action in this matter. It is not the Senate, because we are sitting to-day. Apparently the Commons have in their wisdom deemed it proper not to sit to-day. I do not know whether the holiday which they have taken for themselves has been extended to the civil servants in the various departments.

Hon. Mr. BRADBURY: It has.

Hon. Mr. DANDURAND: It is possible. However, as my honourable friend states, this legislation has been honoured rather in the breach than in the observance, because since the Act was passed various holidays have been claimed—rather, they have been enjoyed without any special proclamation. It will be for the Commons to examine their conscience and see how they can square themselves with that which has just been read.

Hon. Mr. BRADBURY: I refer not so much to the House of Commons as to the Government, who have declared this day a holiday in the Civil Service. So far as the House of Commons are concerned, I admit that they have a perfect right to declare a holiday for themselves whenever they like. I submit, however, that the Government of the day have no right to override the statute as they are doing.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. R. DANDURAND: Honourable gentlemen, when the Senate adjourned last evening I was speaking of the inexplicable and unjustifiable attitude of the manufacturers in 1911. I feel that they then disqualified themselves to teach goodwill and fair play to the farmers of this country. Their attitude and action in 1911 preclude them from judging others on that score. The farmers will never be able to equal them in the field of selfishness.

In the midst of these conflicting interests stands Parliament as the supreme arbiter. We have to lay down a just and fair policy in the interests of the whole of Canada. What is the present grievance of the manufacturers? I stated that the farmers at large were asking for a reduction in the tariff and the manufacturers were now being heard in their demand for an increase in the tariff. What is the present grievance of the manufacturers? It is the increased preference to Great Britain. I desire to lay down the principle that the Canadian tariff is made for Canada's benefit alone, and that the preference to Great Britain has been given for our sole advantage. In this rigorous country we must see to it that the people are properly clad at a minimum of cost. The tariff must be so arranged as to ensure a fair price to the consumer as well as to the producer. Where can we draw the line? It is a difficult problem indeed. There are great variations in conditions both periodical and geographical. The costs of materials vary. Commercial depressions occur inside and beyond our borders. There are the fluctuations in exchange; there are the differences in wages. Consideration must also be given to the domestic market and its limitations, to the foreign market and the possibility of our manufacturers competing, and what not. All kinds of conditions may intervene to vary the situation. The conditions under which a tariff is fixed to-day will not be the conditions of to-morrow. I am of opinion that a certain inflow from outside is a sure indication and guarantee of fair conditions in the country. It makes for healthy competition; it keeps the manufacturer on the alert and develops his spirit of initiative.

What should be the imposition, tax, duty or protection? All these words are synonimous. The manufacturers have two main grievances against the British preference. They point to woolens and to footwear. Let us take woolens. Men's clothing and overcoating, tweeds, cassimeres, doeskins, and other cloths appeared to be affected by the tariff. The preferential tariff levied was 27½ per cent, the intermediate 35 per cent, the general 35 per cent. There has been a reduction of ten per cent in the duty on British goods imported through Canadian ports, which brings the duty down to 24¾ per cent. There was in 1923, it is true, an increase in importations of woolen goods over those of 1922; but was that increase due to this increase in the preference? I doubt it very much, and I think the figures which I will quote will disprove it. In 1921 the total importations into Canada of manufactures of wool were $61,928,975; in 1922 they were cut practically in half, being $32,048,615; in 1923 they came up to $40,655,452. Honourable gentlemen will notice that even with that increase in 1923 the importations were less than they were in 1921 by one-third.

Now, is the increase in importations in 1923 over 1922 due to the preference? I have a statement giving the importations per month of dutiable woolen goods from Great Britain in 1922 and in 1923. What does it show? The first preference came into effect in May, 1922, and could only affect the entries after June, 1922. The figures for the first five months, before the preference, were as follows: January, $2,173,298; February, $2,295,000; March, $3,494,000; April, $1,682,000; May, $2,834,000. And now come the months after the preference; June, $2,197,000; July, $2,155,000; August, $3,028,000; September, $2,-

901,000; October, $2,677,000; November, $2,378,000; and December, $2,387,000. There is practically no difference as between the months that followed the increased preference and the months that immediately preceded it.

Now we come to 1923, the first five months of which come under the first preference. What do we find? We find the following figures: January, $2,652,000; February, $2,924,000; March, $3,777,000; April, $2,281,000; and May, $2,175,000. Now we come to the second increase in the preference, and what de we find? Here are the figures: June, $2,504,000; July, $2,986,000; August, $3,362,000; September, $2,780,000; October, $2,381,000; November, $1,945,000; and December, $1,828,000. From these figures honourable gentlemen will see that the importations from Great Britain under the preferences granted have hardly altered.

Hon. Sir JAMES LOUGHEED: Then what is the advantage of increasing the preference if the effect is to reduce the revenue of Canada under those conditions?

Hon. Mr. DANDURAND: Now I will give the total figures for those two years. The total imports from Great Britain in 1922 were $29,905,768; in 1923, under the second preference, they were $31,600,856. From these figures honourable gentlemen will see that the difference was very slight indeed, and it practically represents the decrease in importations from the United States. That being so, we have hardly any change in the importations under those two heads during those two years, except that we have transferred our clientele from the United States to Great Britain.

Hon. Sir JAMES LOUGHEED: But you have lost in the collection of duty.

Hon. Mr. DANDURAND: I do not see that we have lost any considerable amount of duty. There was a slight increase in the importations, but the result has been to increase our purchases from Great Britain to about the same proportion that we decreased our purchases from the United States.

Hon. Mr. DAVID: Has the preference had the effect of decreasing the cost of woollen articles?

Hon. Mr. DANDURAND: I would say that the effect was to decrease the cost to the consumer not only of the goods thus imported but of the goods manufactured in Canada, because the competition from outside makes it necessary for the producer here to reduce his price in order to maintain his sales.

Hon. Mr. DAVID: But, as a question of fact, had the preference that effect?

Hon. Mr. DANDURAND: I have no data on that score, but, reasoning logically, I would judge that it would produce that result.

Now, the imports of similar goods from the United States in 1921 amounted to $5,081,040; in 1922 to $3,195,958; in 1923 to $2,561,314. This bears out what I said a moment ago, that the decrease in importations from the United States just about corresponds with the increase in importations from Great Britain.

I would like to elaborate this point a little further, giving some details, and examining some special items. I will take the item of "overcoating, tweed, women's dress goods unfinished, and serges." In 1921 there were imported 6,509,587 yards, at a value of $8,351,920. In 1922 there were imported 10,876,404 yards, at a value of $11,112,458. In 1923 there were imported 10,377,817 yards, at a value of $10,685,894. There was a smaller importation in 1923 than there was in 1922.

Cassimeres, clothes, doeskin, etc.—of these I have not the quantities, but I have the values. In 1921 these goods were imported to the value of $1,116,996; in 1922, when the first preference came into effect, to the value of $1,521,268; and in 1923, when the second increase in the preference was established, $1,621,657.

Now I take "socks and stockings." In 1922 the imports amounted to $2,165,938, and in 1923 to $2,379,887.

All these figures indicate that there has not been a very considerable increase all told, and that in certain lines there was none.

In that connection I may say that neither was there a decrease in the number of men employed by the woollen manufacturers of this country during 1923. I have a statement for that year which shows the average number of men employed in 30 manufactories of woollen cloths and yarns. I will not give all of them, but will simply give the monthly average, which in 1922 was 4,052 and in 1923 4,144. This shows that there was not any appearance of a slackening off of the work of these manufacturing establishments.

Hon. Mr. POPE: Have you a list of the factories that have been obliged to close up and go out of business?

Hon. Mr. DANDURAND: A certain number have not maintained themselves, but it would be interesting to have a statement covering a number of years. Undoubtedly in 1922 and 1923 a certain number of these institutions were running behind, but in order to see what has been the situation of the

woollen trade in Canada from that angle, we would need to have the figures for a number of years.

Hon. Mr. ROBERTSON: May I ask the honourable gentleman whether the figures just quoted are in his opinion quite correct? Are the reports complete, and has the department received full returns as to the number of men employed in that industry?

Hon. Mr. DANDURAND: I have this statement from the Dominion Bureau of Statistics, which has been put into my hands with the knowledge that I would make use of it, so I take it for granted that it will stand the test.

Hon. Mr. ROBERTSON: Only a few days ago the woollen manufacturers filed a brief with the Government in which they represented that more than seven thousand employees had been removed from service owing to lack of employment within the last twelve months.

Hon. Mr. DANDURAND: My statement covers the activities of 30 manufacturing establishments.

Hon. Mr. ROBERTSON: I think we should have the full returns.

Hon. Mr. SMITH: That does not necessarily cover all of them.

Hon. Mr. DANDURAND: Now I come to the footwear industry. The first item covers "boots and shoes, stitched or wire-fastened, with unstitched sole, close edges." The preferential tariff on these goods is 15 per cent, the intermediate tariff 22½ per cent, and the general tariff 25 per cent. This preference came into force in May, 1922, when the rate of duty was decreased from 17½ per cent to 15 per cent. There was no reduction in 1923. The imports from Great Britain for the nine months ending the 31st of December, 1921, amounted to $2,591; the 31st December, 1922, $3,546; the 31st December, 1923, $3,719.

The second item, "boots, shoes, slippers and insoles of any material," are liable to 17½ per cent under the preferential tariff, 27½ per cent under the intermediate, and 30 per cent under the general. In 1922 the duty was decreased from 20 per cent to 17½ per cent; in 1923, 10 per cent was cut off if the goods were imported direct into Canada, thus making the rate 15¾ per cent.

The boots and shoes reaching this country from all sources, during the nine months ending December 31, were as follows: 1921, $983,706; 1922, $855,030; 1923, $1,105,632. There was an increase in the importation of 1923 over those of 1922 which amounted to $250,602. From the United Kingdom we received in 1921 $283,049 worth of footwear, in 1922 $404,828, and in 1923 $652,083, an increase of $247,255 in 1923 over 1922.

In the 12 months of the fiscal year ending March 31, 1923, the total imports of boots and shoes were $1,633,087 (excepting rubber shoes), which is 2⅓ per cent of the value of all boots and shoes produced in Canada and imported into Canada. We produced and imported into Canada during the fiscal year ending March 31, 1923, $70,200,000 worth of boots and shoes.

The United States in the last three calendar years furnished us with footwear as follows: in 1921, $1,021,356; in 1922, a reduction to $815,193; and in 1923, about the same figure, $835,982.

From the United Kingdom we received in 1921, the calendar year, $292,012; in 1922, $391,080; and in 1923, $604,472.

If the complaint is made that 15¾ per cent is not sufficient protection against British goods, how much would be sufficient? Twenty-five per cent? Well, we have 25 per cent against American goods, yet they still come in, though not to a considerable extent. All that the Canadian manufacturer stands to lose is 2⅓ per cent.

Our total importations in 1921 were $799,478,483; in 1922 they were $762,409,309; in 1923, $903,530,515.

Exports were: in 1921, $861,694,281; in 1922, $898,177,851; and in 1923, $1,028,319,123. The imports from Great Britain in 1923 were $154,492,420, and from the United States $610,374,804.

Our exports to Great Britain were $360,819,518, and to the United States $422,041,789. Our exports to Great Britain are 35.6 per cent of our total exports, while our imports from Great Britain are 17.1 per cent of our total importations.

Apparently we have no reason to complain of the treatment we are giving the United Kingdom, when we are selling them more than 35 per cent of all exports and buying from that market but 17.1 per cent. Thus, I repeat, the importations that we receive from Great Britain under this lowered duty are for the advantage of Canada and not primarily for the advantage of Great Britain.

I must add, in order to show that there has been no let up in the manufacture of woollens in Canada, that gradually in recent years our raw wool has increased annually, and the increase was larger in 1923 than in the two preceding years.

In looking at the profits made by some of the woollen industries, which are well conducted, I find that their annual statements show large profits, quite satisfactory to the shareholders. I think I have demonstrated by the figures given that the boot and shoe manufacturers have no cause for complaint regarding the importations under the preference to Great Britain. The increase has been but infinitesimal and represents in the total, as I have said, with the importations from the United States and elsewhere, only 2½ per cent of our total production and importation.

Before closing these remarks I desire to draw attention to the increased business we have done with France. In the nine months ending December 31, 1922, our exports to France were $10,634,448. Our exports for the nine months ending December 31, 1923, were $13,865,022, an increase of $3,230,574. Our imports during those two periods were: in the nine months to December 31, 1922, $9,354,566, and to December 31, 1923, $11,749,515, an increase of $2,394,849.

Under the treaty, which came into effect in September last, the imports for consumption into Canada from France amounted to $4,351,148 during the months of October, November and December, being an increase of $869,943 in comparison with the same period in 1922.

The exports to France of Canadian produce amounted to $6,240,493 during the same period in 1923, being an increase of $2,083,431 in comparison with the same months in 1922.

This increase in our exports is all the more commendable because of the present depreciated French currency. I may say that I attribute a good share of this increase of our exports to France to the splendid work done by an honourable member of this House, the honourable gentleman from Montarville (Hon. Mr. Beaubien), who gave five months of his time, from July to November, in travelling through France with the Canadian exhibit and explaining the advantages of our Canadian market. I am sure that when the franc moves back to normal, or even before it is half way back, our trade with France will be of considerable benefit to our manufacturers. I desire, in the name of the Government to thank our colleague for the commendable, devoted work which he has done in the interest of Canada.

Hon. G. D. ROBERTSON: Honourable gentlemen, may I join in expressions of congratulation and felicitation to the mover and the seconder of the Address in reply to the Speech which His Excellency was pleased to read to Parliament. I think the Government too are to be congratulated upon their sagacity in selecting an experienced parliamentarian to move the Address in reply, in view of the difficulty which anyone must encounter in endeavouring to justify all that is contained in the Speech.

To the seconder of the Address may I extend greetings. We are always glad to welcome to this Chamber gentlemen from different parts of Canada who by their ability and by the esteem which they have won from their fellow citizens in the province in which they live, have received merited recognition by promotion and appointment to the Senate. I feel that the Government are to be congratulated in the selection of the gentlemen who moved and seconded the Address.

It is not to be expected that all men should agree on all subjects. If we all agreed this would be, I suppose, a very humdrum sort of world. But seldom have I found myself in such acute disagreement with the statements of public men as in the case of the opening sentence of the Address prepared by the Government and read by His Excellency. In that opening sentence reference is made to the many evidences of increased prosperity in Canada. Looking back over the past year and over the entire country, and endeavouring to discover some particular thing that might be regarded as prosperity or evidence of prosperity in Canada, almost the first thing that impresses one is our financial condition. How is our balance sheet as compared with what it was a year ago? When we realize that our national debt is approximately $100,000,000 in excess of what it was when this Government came into power, one can hardly conclude that that is an evidence of great prosperity.

The next thought that occurs to one is perhaps the question of taxation, and when we recall the additional burdens of taxation that have been laid upon the people of this country during the past two years, we can hardly satisfy our consciences with the reply that those have been evidences of prosperity. When one remembers the solemn pledges made by the present Government not long ago that the burden of taxation would be lifted from the people and the cost of living reduced, and realizes that during the past two years the cost of living has advanced, one feels that there is not much reason for gratification on the part of the humble citizen who has felt more than any other member of the community the additional burden of taxation the country is bearing. None of these things seem to indicate any great prosperity.

On the other hand, a country, especially a young country like Canada, sometimes feels that it is prospering if it has a substantial growth in population and can look forward to development. When we look at the facts with respect to immigration and emigration during the past two years, what is the conclusion to which we are forced to come? Is it not that our emigration has exceeded our immigration? Is it not true that we have been losing good Canadian citizens, their wives and their children, born in Canada and educated in our public and high schools? When they were on the eve of budding into full manhood or womanhood, they were forced to leave Canada for lack of opportunity, and they took with them those advantages for which Canada has paid, to exercise their talents and abilities and give their labour and industry in a foreign land. In their place we are receiving a fewer number of people, who have not been educated under our systems or according to our standards, and many of whom do not even speak the language that is generally used in Canada, and have to be Canadianized.

The Speech from the Throne a little later stated that unemployment has been greatly curtailed. I agree that that is perhaps true because of the tremendous exodus of our working population. About a month ago—I think it was a month ago to-day—I had an opportunity of discussing some public questions, particularly the question of protection, and I mention incidentally that during the past year approximately 200,000 Canadians had emigrated to the United States. I noticed that shortly afterwards a Minister of the Crown took occasion to deny absolutely my assertion. He referred to my statement in language that was quite unparliamentary, though, as he was outside of Parliament, he is not to be criticized for that. He said that no such number of people had left Canada during the past year.

May I call the attention of the House, and of the gentleman referred to, if he should happen to see it, to a statement on this subject which I think may be accepted as authoritative. One of the leading newspapers of Canada has made an investigation into this very matter and has obtained official statements from American authorities as to the number of people who have gone to the United States during the past year, and the conclusions of that authority—I refer to Mr. J. J. Short, of the United States Department of Immigration, at Detroit—may be summarized by stating that:

Nearly a quarter of a million Canadians entered the United States by way of Windsor and Detroit, therefore, during the year, 1923, and Mr. Short and his associates estimate that from 150,000 to 200,000 entered at other points, making a grand total for the year of more than 400,000—

people from Canada. I therefore apologize for the mistake I made a month ago in my public utterance in Toronto. I said that the number was only 200,000. I stand corrected. I will accept the statement of the United States official.

Hon. Mr. DAVID: What is the statement? What is the difference?

Hon. Mr. ROBERTSON: The number is double what I said it was. Now, honourable gentlemen, that does not appeal to me as an evidence of prosperity. But if only unemployed workmen had gone to the United States and everybody now in Canada were employed, perhaps the Government might feel that we were in an easy position and that nobody was suffering at the moment. But I direct the attention of the House and of the Government to the fact that it was only a few days ago that the Ottawa papers regretted the fact that the official report from the Ontario Labour Department showed that there were 800 unemployed men registered at the bureau on Queen Street in this city, and on the same day, I think it was, one of the Montreal papers stated that there were 25,000 known to be out of work in Montreal.

Hon. Mr. DANDURAND: Twenty-five thousand?

Hon. Mr. ROBERTSON: That was the report last week. And it is only a few days since the Chief of Police in the city of Toronto forbade a parade of the unemployed men in Toronto who, with their families, are in want. I say to this House and to this country that unemployment is rife in Canada to-day, as it has been during the last three years, notwithstanding the emigration of 400,000 people in twelve months. If a census were taken to-day it would be found that there are substantially fewer people in Canada to-day than there were in 1921. Are those evidences of prosperity? If they are, then my judgment is certainly in error.

Apart from all that, however, if Canada was prospering if there were such glorious hopes ahead, would our agricultural interests be complaining as they are to-day? Is not the fact that the value of property of all sorts—crops, live stock, and everything our agricultural people own—has so seriously decreased in value, as well as in the selling price, is the cause of their serious discontent and disillusionment as to the promises made to

them some two or three years ago? The hopes they then entertained have been dashed. These cannot be called evidences of prosperity.

Now, may I ask who it is that sees these evidences of prosperity? Is it the farmer? I do not think so. Is it the manufacturers whose factories are running half-time or are closed down altogether in many instances, and who have been coming here through their organizations and making representations to the Government as to the desperate situation they are in? Is it the employees who are out of work and who cannot get employment in Canada, or those who have had to go to the United States in order to gain an existence? I say it is not the wage-earner, it is not the manufacturer, it is not the farmer. And I do not believe it is the taxpayer. Then, who is it? Honourable gentlemen, I have come to the conclusion that this sentiment and this expression was born in the mind of the man who penned the Speech, and that it was simply born of a desire, and not because of any existing facts. I fear that his head was in the clouds, that his wish to have Canada prosperous blinded him to the real situation; and I think he can find throughout the length and breadth of this country very few citizens who will agree with him that there are evidences on every hand of progress and prosperity.

I want to congratulate the mover of the Address in reply to the Speech from the Throne, the honourable member from Lambton (Hon Mr. Pardee) because of the splendid note he struck yesterday, namely, pride of nationhood. There is too little of that sentiment abroad in Canada to-day. This, perhaps, is not to be wondered at, because our population grows more and more cosmopolitan as our Canadian-born citizens are forced to leave their homeland to maintain the standards of living which they think they are entitled to enjoy, and which they can obtain elsewhere, and we exchange them for people from other lands who have not the same inspiration as Canadian-born citizens to regard Canadian nationhood as important. But I cannot agree with the suggestion of the honourable member as to the method which should be pursued to bring about that desirable situation, and to bring about the realization of a real Canadian national feeling. I do not think that feeling is to be attained through any tariff adjustment such as the honourable gentleman, the leader of the Government, was planning a few moments ago. He built up a splendid case which leads one to a conclusion which is definite and clear. The conclusion I would draw from the honourable gentleman's presentation of the tariff argument is that the greater the British preference is the less the importations will be, and that therefore, if the duty were removed entirely, there would probably be no importations from Great Britain at all. That is the logical conclusion to be arrived at from his argument, because he showed us that as the preference was increased and the tariff reduced the quantity of goods imported declined. I think there is another reason for that situation, honourable gentlemen, and in my opinion it is the fact that the purchasing power of the Canadian people has become so diminished during the past year or two that they are no longer able to purchase or to use the quantity of goods that they would have used had their purchasing power been maintained at the level of a couple of years ago. That may be said to be merely an opinion; but I am bound to point out that there is ample precedent for reaching that conclusion. May I point out that in England in 1922 the revenues derived from taxation through customs was £119,000,000 less than in 1920, while the population increased approximately two million souls; during that period. Because there had been during that period a million and a half workmen deprived of employment, and probably five million more women and children dependent upon them, their purchasing power was so decreased that they were unable to purchase the necessities of life. That very same situation exists in Canada to-day. The textile manufacturers, to whom my honourable friend referred, only about ten days ago filed a brief with the Government in which they pointed out that more than seven thousand of their workmen were now out of employment; that more than ten per cent of that number, especially the highly skilled men, had gone to the United States; and that forty per cent of the equipment of the woollen mills in Canada was to-day idle because of this situation. And in the face of that we get this Speech from the Throne forecasting further tariff reduction.

The leader of the Government referred yesterday at some length to taxation, and told us with great assurance that the Government would during this Session of Parliament take steps to substantially reduce taxes. Well, that is a splendid expectation, but I feel that before the Government can be given very much credit for tax reduction we ought first to know whether or not they propose to bring taxation back even to the level of 1921. If they go far beyond that, then we may begin to feel that they are making some honest effort to decrease taxation; but if they are only going to take off a part of the additional

taxation which they have loaded on the people during the past two years, I cannot see that any great credit is due to them. However, we will wait and see what is in store for us, and hope for the best.

The honourable gentleman from Lambton (Hon. Mr. Pardee) made reference to the phenomenal success that has accompanied the operations of the Canadian National Railways System during 1923. I entirely agree with the honourable gentleman that the Canadian National Railway was operated successfully during last year. I would further point out that the situation of the railway has been steadily improving for four years past, and rapidly since the actual consolidation of the Canadian National Railway and the Grand Trunk Systems. I submit, honourable gentlemen, that the progress made in 1923 ought to have been made in 1922, and that if the Government had not delayed the actual consolidation of these systems for a year after it came into power the benefits to be derived from consolidation would have been enjoyed by the people a year earlier, and the $20,000,000 surplus, to which they refer with considerable pride might have been enjoyed a year ago.

The Canadian National System is bound to succeed if it is left alone and not interfered with. It was said in another place only a day or so ago that there was absolutely no Government interference in the operation of the railway. So far as I know, that is true in the main, but not altogether. There has come to my knowledge evidence of such misuse of the Canadian National Railway in the by-elections of Halifax and Kent as would merit the strongest condemnation and censure of the officials of the railway who were responsible. I do not believe the executive head of the railway is responsible for it, because if he were, similar tactics would be indulged in on all parts of the system.. Honourable gentlemen know that it is the custom of all railways to enlarge their staffs for maintenance of way and building construction during the summer months and to lay them off at a later period; but do honourable gentlemen know that in the constituencies of Halifax and Kent these additional staffs were put on again in December and maintained during the election campaign, and then immediately afterwards taken off? Do they know that there was a request some little time ago to put in an additional siding just outside of Halifax, about a mile and a half from an existing station, at a place where they had declined a number of times to put a station because there was no necessity for it? One week before the Halifax by-election a gang of men went down there and proceeded to put in the siding; and up to the 16th of January last not a train had stopped there to pick up a passenger, nor had a car been put into the siding. That sort of thing ought to be condemned, and I am making mention of it in the hope that my remarks may come under the eye of the President of the Canadian National Railways.

Hon. Mr. DANDURAND: I will see that he gets a copy of the honourable gentleman's speech.

Hon. Mr. BENNETT: But the election is over.

Hon. Mr. DANDURAND: But it will serve for the next one.

Hon. Sir JAMES LOUGHEED: Will you take the siding up?

Hon. Mr. DANDURAND: I will consult with my colleagues from Nova Scotia.

Right Hon. Sir GEORGE E. FOSTER: Maybe that is an evidence of prosperity.

Hon. Mr. ROBERTSON: Some reference was made to the action of this House last Session in dealing with a certain Bill proposing certain branch lines which the Government desired to have built, and giving a blank cheque to the Government or the Minister of Railways to construct 1,011 miles of line at an estimated cost of $28,000,000, or $30,000 a mile. $30,000 a mile was the cost of building the Transcontinental Railway in 1903, as estimated by the then and present Minister of Finance. The Transcontinental cost $89,000 a mile, and was finished by 1911. It is obviously impossible to build railroads at this time on the estimated cost of 1903, or for one-third of the actual cost of building a railroad by the Government between 1903 and 1911. The Bill to which I have referred was in the hands of the Department of Railways more than three months before it was submitted to Parliament during the closing days of the Session, I think within a week of prorogation. This House wisely refused to be stampeded, and refused to put the Bill through in its existing form, realizing the tremendous consequences that would undoubtedly follow. We are informed in the Speech from the Throne that that Bill is to be reintroduced in its former shape. So far as I am concerned, Honourable gentlemen, I am in favour of the building of a number of those branch lines in Western Canada, but I am so unalterably opposed to the construction of certain other lines—lines which Governments for the last thirty years have refused to build, because they knew they could never begin to pay the cost of operation, and for

which there is no necessity—that if the Bill comes before this House again in the same old form, I intend to oppose it just as forcibly as it was opposed a year ago. On the other hand, if the Government will bring down in its Estimates proposals for the amount necessary to make certain extensions in Western Canada, especially where the lines are already graded, I shall be the first to hold up both hands in their favour.

Hon. Mr. DANDURAND: Would my honourable friend prefer to have the amounts for the building of those lines placed in the Estimates, and thus deprive the Senate of any chance to deal with them except by throwing out the whole Supply Bill?

Hon. Mr. ROBERTSON: I will take my chance on that, and for this reason: That I know the Government cannot get appropriations for some of these branch lines through the House of Commons.

Hon. Mr. DANDURAND: But the whole Bill passed the House of Commons last year.

Hon. Mr. ROBERTSON: It did in its blanket form, but not item by item.

Hon. Mr. DANDURAND: The members of the Commons could have done as we did they could have raised their voices in protest against the building of some of these branches; but they passed the Bill unanimously. I never suggested that we should pass it unanimously in this House.

Hon. Mr. ROBERTSON: I desire to call the attention of my honourable friend to a proposal that was made only yesterday by the member for Swift Current, and with which I am in entire accord. The member for Swift Current was referring to the Branch Lines Bill that was discarded last year. After it had been argued that it was a three-year programme and that it must go through in that form he pointed out that the Government each year was voting from eight to eleven million dollars, the amount that was required for the succeeding year's work in constructing and carrying to completion the Welland Canal project. Then he proceeded in these words:

> They have asked us to pass eight or seven or eleven million dollars from year to year for the maximum amount of work that can be carried on that year. Why cannot we deal with the branch lines in the same way? Let the government come down with an appropriation in the railway estimates for branch lines and ask for a sufficient amount to carry on the maximum amount of work that can be done this year. I am quite sure that if that were done this parliament, every part of it, would vote the money gladly, and even though it may take three years to finish the work once it is begun, there is no reason why this parliament should not vote from year to year sufficient money to carry on the programme. For that reason I sincerely hope that instead of prejudicing the case by bringing forward a three-year programme, or trying to reform the Senate if it needs reforming, the government will bring in a programme for one year that will appeal not only to members of the House but to members of the Senate as being constitutional in procedure, and then I believe that the West and the East will get our much needed railways.

With that I am in entire accord. I will say nothing more on the Branch Lines matter at the present time.

The honourable member for Lambton (Hon. Mr. Pardee) implied by his remarks on the railways that the Government ownership of railways was proving a success. I do not think we have yet reached the stage at which we can come to that conclusion. I hope nobody thinks that the late Government, in adopting the policy with regard to railways, did so because it believed absolutely and solely in the nationalization of public utilities, particularly railways. Everybody must know that it was because of the necessities of the time. No other course was open. I am hopeful, indeed confident, as things are going now, that if the Government, not only the one now in power, but all those that may be in power in years to come, will follow strictly business methods, as the honourable member from Lambton suggested yesterday, in the administration of the National railways, they will ultimately succeed as Canada develops and its population and business increase. We have in Canada to-day enough railway mileage for double our present population. All our railways need is increased business to make them all profitable; but unless they get that they will still be faced with years of struggle. And the Canadian Pacific is no better off than the Canadian National so far as business outlook is concerned. Perhaps its outlook is even not quite so good, because there has prevailed in the past few years a sort of public sentiment on the part of the shipping people, who say: "If we must pay through taxation for the deficits of the Canadian National, we may as well send our business that way and help to make the thing self-supporting." That sentiment has done more to increase the business of the Canadian National railways than all the solicitation of all its agents or travelling representatives in the country.

In addition, the Canadian National has given good service. I do not think anybody can complain of the service. But how has it been able to give the service? Because from 1918 on to 1921 the Government that conceived the consolidation plan provided the means and carried on the work which enabled

the railways to render that service. They provided the necessary equipment and put the roadbeds in shape, so that when the present Government and the present Management took hold of affairs they had everything necessary to work with and success was assured. But if Parliament now passes a Bill such as was submitted to this House and turned down last year, proposing a capital expenditure of probably $100,000,000 and adding millions to the deficit of the Canadian National railways, the day when they will be out of their difficulties must necessarily be postponed; and it behooves Parliament, in my opinion, to scrutinize most carefully the proposed programme. Parliament should see to it that the programme is carefully examined by the Committee on Railways, Telegraphs and Harbours, and that that Committee is given full information respecting the necessity of every piece of construction which it is desired to add to the National railways, before it is finally approved by this House.

The honourable member for Lambton referred to another very important matter, namely, the transporation of coal from the West to the East and the use of Canadian coal by Canadian industries. That was part of his suggestion with regard to the encouragement of the spirit of Canadian nationhood, which as I have already stated, I consider to be entirely commendable. In 1919 this matter was at first urged and some investigation was made regarding the cost. While many reports have been given to the public, officially and otherwise, as to the cost of bringing Alberta coal to Ontario, I see no reason to alter my original opinion, formed in 1919, after some investigation, that via the Canadian National railways coal can be transported from Drumheller and laid down in Toronto for $7.50 a ton, without making any money perhaps, but without loss, and that if a permanent trade could be worked up it would keep in use thousands of cars and hundreds of locomotives, and provide work for hundreds of employees at seasons of the year when railway equipment is lying idle.

In view of these facts I agree with the honourable member from Lambton that there is room for a very careful survey of the possibilities, in the hope of bringing about some arrangement whereby we may very largely use our Canadian coal for Canadian industry. But I go further. I do not think, honourable gentlemen, that it is desirable to bring coal from Alberta to manufacture a binder in Toronto, and ship that binder back to Alberta. I think that the day should come, and will come, when there will be smelters placed on top of the coal fields in Alberta. Perhaps the iron may have to come from the Belcher Islands over the Hudson Bay railway. Then the wishes of our people in the West will be realized. But the Province of Alberta is destined to become an industrial province. It may be twenty-five it may be fifty years hence, but that development is bound to come. When a smelting industry is established there, as it will be, then every other industry of which coal and steel form the base, will grow up in that Province, population will flow in, and it will have a balanced population. Then the complaints that we hear to-day will begin to vanish.

How can this country go on for another thirty years as it has done in the last thirty, calling every year more and more upon the outside world for thousands of harvesters to reap the crop in Western Canada? In years gone by it was possible to obtain a sufficient number of men in Eastern Canada, and they went West for a few weeks. Some of them never came back, but settled in the West. Others returned, but they were probably a distinct loss to the Eastern Provinces, from which they had gone during the busy season of the year. Nobody complained about that. Everyone was glad to see the Western farmer helped to get his crop reaped. During the last year or two, however, the labour has not been available within the country and last year it was necessary to bring several thousands of harvesters from England—

Hon. Mr. SCHAFFNER: Twelve thousand.

Hon. Mr. ROBERTSON: —to reap the harvest in the West. Twelve thousand, the honourable member from Boissevain says. Now, how can the Western farmer ever expect to get labour at a reasonable wage if the labourer has to come so far and pay his expenses to obtain a couple of months' work? A man ought to have $20 a day for the days employed if he comes from England at his own expense to work for two months in the harvest fields of the West, and the Western farmer, of course, would not tolerate or even think of that for a moment. But does it not all come back to this fact, that the population of any country must be balanced? There must be a proper relation between the urban and the rural residents. The needs of one must be supplied by the other to a great extent. Is not Western Canada now passing through exactly the same difficulties that Ontario and Quebec experienced forty years ago? In those days nearly all the farmers in Ontario—I know Ontario more intimately than I do Quebec, although I have lived in both provinces—looked with longing eyes to the markets of the

United States and thought, "If we only had free trade we would be well off." Time went on, and after 1878, when the National Policy came into operation and industries began to be built up in the various towns throughout these two provinces, home markets became available for the products of the farm, and the articles that the farmer required were being produced in the factories of his native province. The urban and the rural populations were balanced, and the tide turned. There is to-day a strong sentiment in favour of protection, regardless of political considerations, in those two provinces—why? Because the farmers of Ontario and Quebec have come to realize that it is better for them to sell their products at home than to be obliged to ship them several thousand miles away and to make their purchases in that far-off market, paying the transportation cost both ways.

We should encourage the bringing in of coal from Alberta to Ontario if it is possible to do it, but that should not be done with a view to making Ontario or Quebec, or both, the centre of manufacturing activity in Canada, because the day is coming when that idea will be abandoned.

Honourable gentlemen, I fear I am taking too much of the time of the House, but there are a few other matters on which I would like to touch briefly. One is the lamentable catastrophe that occurred last August, when the Home Bank was forced to close its doors. I do not intend dealing with this subject in great detail at this time, but it is an important matter in the minds of a great many thousands of people who were interested in that institution as depositors, and in the estimation of many thousands more who are depositors in other banks and whose confidence in our banking system and the stability of our financial institutions has been sadly shaken as a result of the failure of the Home Bank. The Government in its wisdom has seen fit to adopt the suggestion of a committee representing the depositors to investigate certain specific matters. I take serious exception to the proposed investigation unless it is extended and begins at the genesis of the whole affair. It should cover the whole period from the time when the Act incorporating the Home Bank was passed in July, 1903, up to the date when the Bank closed its doors; and I will tell you why.

Hon. Mr. MURPHY: The Prime Minister promised that yesterday.

Hon. Mr. ROBERTSON: I am glad to know that. I will tell you why it should be done. There was a large meeting of depositors held in Massey Hall, in the city of Toronto. Apparently considerable excitement prevailed at that meeting, for one lady dropped dead during the discussion. A committee of 22 men was selected at that large meeting of shareholders to represent the shareholders' interests, and to make representations to the Government with a view to obtaining some relief for them. I was not present at the meeting, but my name was mentioned and I was put on that committee. I very soon observed the trend that matters were likely to take, and naturally I declined to serve on any such committee, because I felt it would interfere with my liberty of action in Parliament. I am just as satisfied as I can be that from the beginning there has been an intention on the part of certain gentlemen on that committee to make political capital out of this affair, to the detriment of the late Government and especially the late Finance Minister, whose actions are entirely creditable, and will be proven so, and at the same time to whitewash perhaps the real culprits from the Governmental standpoint. Therefore I am glad to hear the honourable member from Tignish (Hon. Mr. Murphy) say that the Prime Minister committed himself yesterday to an enlargement of that investigation.

Hon. Mr. DANDURAND: I may inform my honourable friend that there was never any intention to limit it. The idea was to investigate the allegations, but when it was pointed out that there might possibly be a feeling that the investigation was limited for certain reasons, not divulged, then there was no Minister who was not ready to have it enlarged.

Hon. Mr. ROBERTSON: As a gentleman once said to me when I attempted to make an explanation, I accept the apology.

There is one other matter I want particularly to deal with, and then I will conclude. The honourable leader of the Government, in his address of yesterday, made some observations to which I wish to call his attention. I am sure he made them in good faith, believing them to be true, for it is not his custom to do otherwise. But, because of the importance of the points involved, I will state the facts, and I trust he will accept the correction. The honourable leader said, in the course of his remarks:

> One of the fundamental reasons for the present disturbing elements in our economic field in this country has been the wage paid to labour in towns and cities and on our railways. I am not recriminating. By reason of war conditions they obtained a considerable increase in wages, and they have refused to let go of that increase. I merely state a fact.

That is the quotation. I desire to point out to the honourable leader of the Govern-

ment that he is mistaken in his assertion that labour in Canada, especially railway employees, have adhered to or even been able to maintain the high wage levels. As at least some honourable gentlemen know, I happen to be the head of one of the railway labour organizations in Canada, and represent the station agents, train despatchers, telegraph operators, etc., on our railways. I say to you, as a statement of fact, that the wages of the telegraph operators and station agents on our railways in Canada have been decreased more than $2,000,000 in the last two years, by agreement between the representatives of the men and the railway companies. But I do not ask the honourable leader of the Government to accept my statement. I would refer him to the Toronto Globe, an authority which I hope he will accept. Under date of October 30 some person, I do not know who, styling himself "A Student of Railway Finance," has an extensive article in the Globe on this very question, and quotes statistics to show that the total wage bill on railways in Canada in 1920 was $290,510,518; that in 1912 it was $247,756,158; and in 1922, $225,864,428. I would point out to the House that in two years' time the wages paid railway employees in Canada were reduced by 65 million and odd dollars. Do not overlook the fact that during that time the business handled by the railways in Canada increased, and necessarily the number of employees increased. So I want to correct any misapprehension that may rest in the minds of honourable gentlemen as to the facts. It is not correct to say that the employees on railways have refused—let me quote the exact words—"have refused to let go of that increase;" that is, the wage increase they had received up to 1920.

Now let me give the House one further point of information on railway wages. I would refer you to the Grand Trunk Railway's report for the year 1922, recently issued by the Department of Railways and Canals. It is compiled in a manner entirely different from the reports of all the other railways in Canada. I do not recall the page number, but you will find in that report a page on which all the employees are classified, the classification showing the number of employees in each branch, the total number of hours that all those employees work, and the total amount of money earned by them. If you will look at the totals, you will see that there were something like 29,000 employees on the Grand Trunk Railway System in Canada as it then was, and that they worked some sixty million hours, and received some $42,000,000. At any rate, you will find that the average wage of all the employees, from the call-boy up to the president himself, including both, was 64.4 cents per hour.

Hon. Mr. MURPHY: Has the honourable gentlemen got the percentage cuts from the peak?

Hon. Mr. ROBERTSON: No, I have not, but they can be obtained. The impression I want to leave is that there has been a misconception in the minds of the Canadian people that railway men have been receiving wages far in excess of what is really the case—and I refer you to the official record of the Department of Railways and Canals to prove the statement which I have just made.

There are one or two other matters that I would like to refer to, but I have already detained you too long. Summing this all up: Where are we going? Where are we drifting? As my honourable friend from Prince Edward Island (Hon. Mr. Murphy) suggests. We are told at the opening of the Speech from the Throne that there are distinct evidences of prosperity. I have tried to find them, and I am sorry to say that I have not been able to do so. What can we look forward to in the future? We apparently can look forward to a decrease in the tariff, which will have the effect—just as the slight tariff tinkerings during the past two years have done—of further strangling industry and stimulating unemployment and emigration. That is not a very bright outlook.

In my humble opinion, we cannot expect very much from the present Government, although I am satisfied that there are many gentlemen sitting on the Government benches—in the other House at least, and perhaps in this—who in their hearts feel that the time has come when this sort of thing cannot go on much longer. The Government is helpless because of its pre-election pledges, which it is in duty bound to carry out. It has not, however, a working majority, by which it can carry into effect any part of its programme or platform. It is dependent upon a third political party which has for its object what? Not exactly tariff reduction, but rather tariff extinction. The Government which we now have is in a minority in the House of Commons, is in a minority in this House—which is not so important, perhaps—and for its continued existence is dependent upon another political party. It will find it impossible, in my opinion, to do anything constructive under the circumstances. Furthermore, the Prime Minister finds himself hopelessly embarrassed. He cannot open constituencies to

reorganize the Cabinet. His Solicitor General is somewhat embarrassed, two other Ministers are under a cloud, his Minister of Finance is sick, the Minister of Justice has resigned, and the Postmaster General is incapacitated, or partly so. The Government is in a very difficult and delicate position, and I hold that the Prime Minister ought to turn back to page 11 of the Hansard of 1921 and refer to his own utterances there, and ponder in his own mind as to what is the proper and honourable course for him to pursue.

Hon. J. G. TURRIFF: Honourable gentlemen, in rising to discuss for a few moments the Speech from the Throne, I wish first of all to extend my congratulations to the mover (Hon. Mr. Pardee) and the seconder (Hon. Mr. Côté) of the Address. Those of us who sat for many years in the other House with the honourable the mover of the Address knew what to expect: we knew he would handle the subject with great skill and great ability. I am sure we all had great pleasure in hearing our latest addition to the Senate, the new member from Edmonton. I was pleased to hear him give a very lucid report regarding that great province of his, sunny Alberta, and am sure that he will prove a worthy successor to the late Senator Forget. In referring to the late Senator, I might say that those of you who saw him in recent years in this House, when he was incapacitated, could hardly realize the sort of man he really was. My honourable friend from Moose Jaw (Hon. J. H. Ross) and myself sat in the old Assembly in Regina some forty years ago, and we knew what he could and did accomplish. He was one of the finest men that I have ever met, and I am confident that his successor will prove worthy of the position which he now occupies.

The first item in the Speech from the Throne, as my honourable friend who has just taken his seat (Hon. Mr. Robertson) has said, refers in glowing language to the prosperity that exists on all sides. I think perhaps the Prime Minister painted that picture a little too brightly; perhaps he accentuated the prosperity too much. I think probably he was referring to the prosperity that is to come. At all events, he did not augment the Speech nearly so much as my honourable friend who has just taken his seat (Hon. Mr. Robertson), and my honourable friend, the leader on the other side of the House (Hon. Sir James Lougheed), who gave a pretty fair exposition of the case yesterday. They, however, have gone in the other direction and, in my judgment, have painted a picture of blue ruin.

There is one thing I would like to point out to honourable gentlemen opposite. If the country is in such bad shape as my honourable friends claim, if there is such a lack of employment and such stagnation in the country that the manufacturers are not making any money, and are closing up, the situation is one that has come about under their own policy. From the time the present Government came into power, a little over two years ago, up to the last two months, they have practically carried out the policy of their predecessors. They have made no great change, and what has been the result? If the result has been as my honourable friends have depicted it, then it is because of the policy of high protection, and of the legislation that they brought in during their term of office.

My honourable friend the leader on the other side (Hon. Sir James Lougheed) spoke yesterday of what had been done in Great Britain and in the United States by way of reducing debt. He claimed that this Government had not done much. But I remember perfectly well, as every honourable member of this House remembers, that between the end of the war and the time when my honourable friends opposite went out of power they did not reduce the debt at all; on the contrary, they kept piling it up. The Government that is now in power continued in pretty much the same way, and the debt has been increased, but not to the same extent that it was increased during the previous three years. This being so, I do not think it is open to my honourable friends opposite to claim that nothing has been done by this Government.

However, honourable gentlemen, what pleases me is that the present Government has, I think, learned a lesson. I think they have learned that a Liberal Government cannot parade the country in Conservative clothes and meet with any great success. They have found that the popularity that carried them into power with a big majority two years ago is waning because they have not carried out certain things they promised to do. This was brought home to them very strongly last fall down in Halifax and in Kent. I believe, honourable gentlemen, that the loss of those two seats is the best thing that could have happened the Government. It wakened them up to the fact that they had not carried out their promises, that they were not giving a Liberal Government, and that they were losing the confidence of the people. But, to their

credit be it said, when they realized that, they decided to mend their ways and to adopt their own policy. They are now proposing to adopt the policy which they advocated before the last general election: and, honourable gentlemen, if they do that, I believe that they will rehabilitate themselves in the good will of the people of Canada.

My honourable friend, the ex-Minister of Labour (Hon. Mr. Robertson), said that the Government was dependent upon the third political party. I just want to say that if it carries out what has been outlined in the Speech from the Throne, and carries it out fairly and reasonably and honestly, it will have the support of the West.

Hon. Mr. DAVID: And what about the East?

Hon. Mr. TURRIFF: The Government did not get a great deal of support from the East; it did not get a great deal of support for its railway policy last Session from honourable gentlemen sitting near my honourable friend. It did not get very much support from my friends from Montreal.

Hon. Mr. DAVID: No.

Hon. Mr. TURRIFF: No. And does my honourable friend mean to say that if the Government now carries out the policy laid down it is going to lose the East?

Some Hon. SENATORS: Sure.

Hon. Mr. TURRIFF: Does my honourable friend say that?

Hon. Mr. DAVID: It depends upon how far they go.

Hon. Mr. TURRIFF: I can show my honourable friend that the Western party do not expect everything on earth, but they expect the Government to carry out the policy that my honourable friends on this side supported two years ago.

Hon. Mr. DAVID: I?

Hon. Mr. TURRIFF: All of you.

Hon. Sir JAMES LOUGHEED: What policy is that? There are so many of them.

Hon. Mr. TURRIFF. The reduction of expenditures—

Hon. Mr. DAVID: Oh, yes. All right.

Hon. Mr. TURRIFF: —reduction of the tariff, lower freight rates, and several other things. My honourable friend says that if the Government carries out that policy it will lose support in the East. I do not believe it. There are members of the Liberal party in the House of Commons, including members occupying Government benches, who in my judgment ought to be sitting on the other side of the House. Their policies and their ideas are just as "high-tariff" and just as "big-interest" as those of any honourable gentleman sitting in opposition in either House, and they ought to be sitting with them.

All that the Western party want is a fair deal. The leader on the other side of the House, in his very fair and moderate speech of yesterday—a speech which I enjoyed very much—spoke of what had caused the third party. He drew attention to the fact that the three great western provinces which are now entitled to over fifty seats in the House of Commons returned only two members of the old parties—why? I can tell you why. First of all, it was owing to my honourable friends opposite defeating reciprocity in 1911, and, secondly, because the Liberal party, which was fairly prolific with promises—

Hon. Sir JAMES LOUGHEED: And is yet.

Hon. Mr. TURRIFF: —when it came to carrying them out fell down rather badly. That caused the rise of the third party, or the Farmers' party. The members of the Liberal party are now coming to their senses, and are realizing that during the last two years they have been in bad company and have been following a poor policy. In order to have the Western party right behind them, all they have to do is to carry out what they proposed.

My honourable friend the ex-Minister of Labour is wrong when he states that if the Government has the support of the Western party it will not be able to do anything at all, that the Western party want to wipe out all protection. I venture to say, honourable gentlemen, that my honourable friend cannot point to a speech of any of the leaders of the third party in the House of Commons, since they have been members of the House of Commons, that would bear out that idea in any shape or form.

Hon. Mr. ROBERTSON. Read their platform.

Hon. Mr. TURRIFF: The members of the Progressive party are common-sense, level-headed men, and are just as much interested in getting good government for Canada—not only Western Canada, but Eastern Canada—as any other class of men in Parliament; and they are prepared to give their support not only to the Government but to any party that will bring forward measures that are fair and reasonable to the people of Canada.

My honourable friend the Ex-Minister of Labour spoke of the condition that the textile workers were in, and someone over there interjected the remark that factories were closed. Who closed the textile factories? Who closed the woolen factories in the last few years?

Hon. Mr. ROBERTSON: The increase in British preference.

Hon. Mr. TURRIFF: Who brought it about? It was the combine of the woolen manufacturers themselves. They are the men who closed the woolen factories, and if the woolen factories are not able to make money to-day under the high tariff they have had, what is the good of putting on the high tariff? They made combines and what was the result? They gave old obsolete mills—

Hon. Mr. ROBERTSON: May I interrupt my honourable friend to point out to him that the present Minister of Labour recently announced that there were no combines in Canada; that he had made a very thorough investigation and found that there was no such thing in existence.

Hon. Mr. TURRIFF: Well, I would not expect anything else from a labour man. When the woolen manufacturers wanted to make a merger or a combine, what they did was to take in a number of obsolete mills and issue bonds for what would be the full value of the plant if it were new; then they issued a big block of preferential stock to them for the good-will of the business; then they issued a big block of common stock; and what did they do with the mills of the poor class? They closed them up, and they have been closed up ever since. And the good ones? They have kept running and have fixed the prices so that everybody in the Dominion of Canada had to pay a very much higher price for woolen goods than was at all necessary. And many of those woolen factories to-day are making money on stock that does not represent 25 cents on the dollar. That is why some of them have been closed up.

Hon. Mr. STANFIELD: Can the honourable gentlemen tell me what woolen factories are making money to-day?

Hon. Mr. TURRIFF: How about the textiles?

Hon. Mr. STANFIELD: The Dominion Textile Company—

Hon. Mr. TURRIFF: They are all in the same class.

Hon. Mr. STANFIELD: Oh, no.

Hon. Mr. TURRIFF: If the woolen mills are not making money I am very sorry. If they cannot make money under the high protection they now have, what do they want? Do they want higher protection? Do they want, then, to make it impossible for people to live at all? Do they want to be able to put the price of woolen and cotton goods up so high that the farmers and the workingmen will not be able to buy even as much as they are buying at the present time?

To my mind, honourable gentlemen, the manufacturers of Canada are reaping the harvest that they sowed in 1911. In that year the proposition was made that there should be reciprocity in natural products with the United States. That would have brought in extra hundreds of millions of dollars to the farmers and labouring men of Canada. Through the combined action of the manufacturers and those connected with them, that agreement was defeated, and we have suffered every day since on account of that, and we shall continue to suffer until we get our farming population and our labouring population into better condition. What do the manufacturers want? Mind you, that reciprocity agreement did not hurt them at all. There was only two items in the whole list that affected the manufacturers, and those items did not amount to much. There was a proposed reduction of 5 per cent on certain classes of farming implements and 2½ per cent on others; and salt was put on the free list, whereas there had previously been on it, I understand, $1.50 per ton duty. Those are the only two points at which the manufacturers were at all touched, and they spent their money by the hundreds of thousands to beat the proposition. If it had come into force we would have had a farming community from one end of the Dominion to the other prosperous and making money. And what is the best market for the manufacturer? The manufacturer is quick to say that the home market is the market for the farmer, but what about the home market for the manufacturer, when you have millions of people who are prosperous and making money? Who are going to buy the goods of the manufacturers? It is the farmers and the labouring men who buy the great bulk of them, after all, because they represent a vast majority of the people of Canada. However, the manufacturers were able to beat that reciprocity agreement, and they have had their high tariff ever since. Yet my honourable friends opposite say that factories are

closed up; that the workingmen are leaving the country, that there are 7,000 textile workers idle to-day. That is the result of the policy that these honourable gentlemen themselves brought about. I congratulate the Gov rnment that they have changed their views and are going to bring about a better state of affairs.

Hon. Mr. ROBERTSON: Apparently they have not changed their views on textiles.

Hon. Mr. PARDEE: We do not know yet.

Hon. Mr. ROBERTSON: Only agricultural implements of production.

Hon. Mr. TURRIFF: I do not know yet; but, talking of that, honourable gentlemen, I want to say that I was pleased with that clause in the Speech from the Throne, because it says that not merely agricultural implements but the instruments of production are to be put on the free list. So I expect that not only will something be done regarding agricultural implements for the farmer, but that the miner, the fisherman, the lumberman, all these people, will also get cheaper machinery for carrying on their business. What will be the result? It will mean cheaper production, and the cost of living will come down, and the manufacturers will get the benefit of that.

My honourable friend the ex-Minister of Labour gave us a dissertation on our loss of population from what we had a few years ago. Well, I think that perhaps my honourable friend has had as much to do as anybody else in Canada with keeping people out of this country. The labour unions, from one end of the country to the other, have been all the time protesting that we should not bring any people into Canada. I take this position on immigration: assuming that men, women and children are strong and healthy of body and sound in mind, I do not care what their trade or profession is; there is room in Canada for them, and they can make good, and they will get along, and this will tend to the general benefit of the Dominion of Canada. But if you keep arguing and protesting all the time that labour must not be brought in because there is no work, you keep labour out.

Let me draw my honourable friend's attention to one little instance that occurred a year ago. A friend of mine who had a small house decided to make some renovations. It was only a small job. He bought all the necessary material—paint, oil and paper—and that material cost him $32 and some cents. I do not remember the exact amount, but it was under $33. He hired a man to do the papering and painting in his house. What do you think his bill was? The bill for the labour was $132—for putting on $33 worth of material. In the face of such facts as this, people would say, "you must not bring men in to work."

Hon. Mr. BEIQUE: They were progressives, I suppose.

Hon. Mr. TURRIFF: They were protected. You have got the wrong word. They were protected. No, we want more people in Canada. As some of you know, I had something to do, years ago, in connection with the settlement of Western Canada, and I must confess that in those days it was somewhat easier to settle people than it is now. At that time we had an almost boundless open prairie country, and wherever a man alighted he could take up a homestead and ninety-nine times out of a hundred would have a good farm. That condition has changed somewhat. To-day there is not much open prairie, but I want to say this, honourable gentlemen, that in the province of Quebec along the Transcontinental, in the province of Ontario along the Transcontinental, in the northern parts of Manitoba, in the northern parts of Saskatchewan, in the northern parts of Alberta, and in certain sections of British Columbia there are hundreds of thousands of acres of first-class rich soil with a light covering of timber, on which men can be put. There is no use in putting an English-speaking man from the old country on that land. He will not do any good. He cannot. Conditions are altogether different from those to which he has been accustomed. Life would be rougher for him, and in the course of a year or two he would leave. But there are hundreds of thousands of good people in Northern and Central Europe who are ready and eager to come out to this country. I say that if the Government would adopt the policy of spending a few hundred dollars —not much—nothing like the money that has been expended on soldiers' re-establishment—but if $500 to $800 were spent on a homestead of a quarter-section in Quebec, Ontario or the Western provinces to build a shanty or small house in the bush, and build a stable, and provide the settler with a cow or two cows to start with and if there were from three to five acres roughly cleared, providing the right class of European were put on those lands, you would be able to place 10,000 a year, and you could not pry those men and women off that land—not with a crowbar. They stick to the land. I venture to say my honourable friend

from Edmonton will bear me out. I remember in the year 1899 or 1900 spending a month inspecting a settlement at Victoria, about 65 miles north of Edmonton. There was in that district a settlement of Galicians, brought in by the Hon. T. Mayne Daley when he was Minister of the Interior. They had been settled on the dry lands around Medicine Hat and had not succeeded. They then moved up in a body. I saw them two or three years after they had settled on the land. I visited dozens and dozens of their homes. There were men, women and children working on the land, clearing it. It was a part of the country which was so covered with scrub and woods that the ordinary white man would not go on it.

Hon. Mr. TESSIER: Are they there still?

Hon. Mr. TURRIFF: They are still there, and I venture to say they have one of the wealthiest settlements in the whole Western country. They have done remarkably well. We can get tens of thousands of families like those if we can put them in Quebec or in Ontario. Do not run away with the idea that the advance of $500, $600, $700 or $800 would be a loss. They would pay that money back, honourable gentlemen. I have always claimed that men of that description can do better in Quebec or Ontario than on the Prairies; for this reason. They can get work in the winter. They can sell pulp wood off their land as they clear it up. Everything they grow in the way of hay, oats and potatoes they can sell right there to the mining community and to the people engaged in the pulp and lumbering industries. The carrying out of such a policy would redound to the welfare of Canada and of those people. No matter how rough the conditions of their life might be—and this is where the advantage comes in—they are better than the conditions in which they lived at home, and that is what makes them stick to the land. I hope that the Government will adopt a policy along that line and carry it out. We must have more people in this Dominion if we are going to make it a great country and also lessen the burden of taxation.

If our burden of taxation cannot be lifted, we shall lose more people than even my honourable friends opposite have said we are losing. I know we have lost a great many. The honourable gentlemen may be right in their figures; I am not in a position to contradict them. Unless we can reduce the burden of taxation, our young men and young women will not stay in this country, because they would have to pay twice as much taxes as in the United States. Therefore, in order to keep our people, we must reduce taxation. I have always taken the position that one good Canadian family, born and brought up in this country, and knowing our laws and conditions, is better than half-a-dozen families brought in from some foreign country—although many of the foreigners are very good settlers. I do not make any objection to them, but I say that none of them come up to our own people. The object of the Government ought to be, and I think that under the present proposals it will be, to keep our people at home and enable our country to prosper.

I am very pleased, honourable gentlemen that the system of taxing incomes has been introduced in Canada. It is the only thing that would ever make you and me and thousands of others realize or look after what the Government are doing with the money they collect. When it comes to putting your hand into your pocket and paying out $100 or $500 or $1,000 in taxation, then you begin to sit up and take notice. I observe that my friends the manufacturers do not bother very much about what is paid by the common people in taxation on their goods, or on goods imported, but when they themselves have to pay a good, stiff income tax, they are sitting up too. That is right, and for the future, honourable gentlemen, I expect to see every Government—not only this Government, but the Government of my honourable friends opposite if it comes into power, or the third party if it comes into power—I expect to see every Government from this time forward criticized more, their work more closely inspected and their expenditures kept down to the level of economy.

I have come now to one of the last clauses in the Speech from the Throne. In preparing a document as long as that there is usually at least one joker, and I thought there was one item that savoured a little of a joke in the Speech from the Throne. My honourable friend the leader will pardon me if I read it:

> You will observe that in the preparation of the estimates my advisers have felt the necessity of continuing the policy of rigid economy with respect to public services and public works, and of postponing until such time as a reduction in taxation has been effected some undertakings the early consideration of which is obviously in the public interest.

I would like to remark to my honourable friend the leader of the Government here that if the "rigid economy" of the last two years is a sample of the rigid economy of the years to come, it will not be very great. But I believe that was put in just as a joke, and I think that it is not the intention of the

Government in any way to carry out that idea. I notice this, however, that during the last two months the Government has taken well to heart what happened in Halifax and Kent, and that there is in operation to-day a system of retrenchment and economy the like of which we have not had in Canada for many years. It is in the right direction and I am sure nearly everybody in the Dominion will wish the Government Godspeed in the work they are doing, until we get a balanced budget, as the honourable the Prime Minister has stated.

Now, there is one point in reference to the balanced budget on which I am not just clear. I imagine the Prime Minister must be right, and I certainly hope he is. But I was under the impression that during the past couple of years we had borrowed money for the railways—I will not say indirectly, but in such a manner that I doubt if it is included in the balancing of the budget. I hope it is, but I do not know of my own knowledge. My own impression is that it is not. If I am correct in my impression, I do not consider that it is a very well balanced budget.

Hon. Mr. DANDURAND: I understand that with the deficit on the railways figuring in the debit column the budget will balance.

Hon. Sir JAMES LOUGHEED: You won't let the Supplementaries disturb that.

Hon. Mr. TURRIFF: I hope that is so.

Now let me deal for a moment or two with the branch lines. We all remember very well what happened the Branch Lines Bill last year. I supported the Branch Lines Bill last year, and I intend to support it again; at the same time, I am convinced that the subject was not dealt with in the best manner possible. I want to say, further, that this country cannot afford to go on building branch lines unless they are necessary and will pay for their operation and bring in some revenue. If I did not believe that the branch lines in the West, even those in the province of Saskatchewan, would not only pay for their operation, but would help to pay something in addition for the benefit of the whole system, I would vote against them. I do not believe there is a single branch line on the prairies that would not pay from the very start, and in addition help to make the main line pay.

If the Government is going to present the Bill again this Session, and wants to have it passed, it will have to see that its own followers support the Bill. Last year, while no doubt it was the majority on the other side of the House who threw out the Bill, still they were helped very materially by members on this side of the House. If the Government wants to pass the Bill it had better see to it that its own members support it.

Hon. Sir JAMES LOUGHEED: What do you suggest they should do?

Hon. Mr. WATSON: Vote for the Bill.

Hon. Mr. DANDURAND: My honourable friend lived for a long time in the atmosphere of the House of Commons, and he speaks of followers. I do not recognize any followers of the Government in this Chamber.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BEIQUE: The honourable gentleman himself has not been a very steady follower of the party of which he once formed a part.

Hon. Mr. TURRIFF: I do not think my honourable friend had better bring up that subject. If I were he I would leave it strictly alone. I have a streak of independence in me, and would not follow any party. My honourable friend has the right to do as he thinks fit.

What I want to refer to is this. The Liberal press from the Atlantic to the Pacific have been putting the whole blame for the throwing out of the Branch Lines Bill on my honourable friends opposite. I do not think that is exactly fair. I think honourable gentlemen opposite were guilty, all right, but I think there were others on this side of the House who were just as guilty. Of course, my honourable friend the leader of the Government here voted for the Bill—he introduced it—but unless I am greatly mistaken I think he would have liked to vote the other way. There are branch lines mentioned in the Bill—I have a list of them here—that I do not think should ever be built; and if they are built there are some that I do not think will ever pay half the operating expenses; and millions of dollars will be sunk for roads which every Government since Confederation has refused to build. It looks to me as though some of those branch lines were tacked on to the western lines that would be paying lines in order to get them through in blanket fashion.

Hon. Mr. SCHAFFNER: That is, last year's Bill.

Hon. Mr. TURRIFF: Yes.

Hon. Mr. SCHAFFNER: You voted for it last year, did you not?

Hon. Mr. TURRIFF: Yes, I voted for the Bill because I know something of the difficulties of pioneering, as my honourable friend does. Forty-five years ago I was pioneering on the prairie, 60 miles from a railroad, and I know what that means; and I could not find it in my heart to vote against extending the railroads to the hundreds and thousands of settlers who had settled along those branch lines. Had they not every right to settle along those lines? The lines were surveyed, and in many cases they were graded and were just waiting for the rails. In the old days when things were cheaper the pioneer could make a living; but to-day no farmer can grow wheat and make a living at present prices if he is thirty or forty miles from a railroad. I voted for the Bill, knowing that there were some branches included in it that should not be there. I hope my honourable friend the leader of the Government will use his best efforts to see that those lines that the old Governments refused to build—the Laurier Government, the Borden Government, the Union Government and the Meighen Government—should not be tacked on now, because the people of Canada are anxious to see those branch lines on the prairies built where they will pay. If there are any branch lines in the East that will pay, by all means build them.

Hon. W. B. ROSS: Why not ask the Government to bring in individual Bills?

Hon. Mr. DANDURAND: I draw attention to the statement that I made last year, that I think was very fair. I did not know much, if anything, of the merits of some of those branches, and I suggested that without binding ourselves in any way we should take the second reading of the Bill and examine it in Committee.

Hon. Mr. BEIQUE: It was too late.

Hon. Mr. DANDURAND: I appreciate the argument of my honourable friend. I did not ask the Senate to accompany me any further than to go into Committee to examine into the different branch lines.

Hon. W. B. ROSS: But the Government is now threatening to send the Bill back in the form in which it was last year, and, if I know anything about this House, I think it will deal with the Bill branch by branch.

Hon. Mr. DANDURAND: I suggested to my honourable friend that he should do that. The junior member for Moose Jaw (Hon. Mr. Calder) was a new member here, and questioned our right to amend a money Bill. I said that under the Ross resolution we had unanimously declared our right to amend a money Bill—to reduce, not to increase. But my honourable friend from De Salaberry (Hon. Mr. Béique) says it was too late. My honourable fried from Middleon (Hon. W. B. Ross) says that if the Bill comes here again we will go into it and break it up. I stated last year that every branch in the schedule stood as an individual Bill and could be treated as such.

Hon. W. B. ROSS: I would like the honourable gentleman to advise the Government of which he is a distinguished member not to send that Bill back as an omnibus Bill. There are 11 roads. Let them send up 11 Bills.

Hon. Mr. DANDURAND: There are 30, I think.

Hon. Sir JAMES LOUGHEED: Twenty-nine.

Hon. W. B. ROSS: Let us have the proper information, the terminus ad quo, the terminus ad quem, and the property alongside. There are men who can come here and tell you in half an hour whether or not those roads should be built. We should lay down some principle. If a district already has one road or has water communication, it should not get a new road.

Hon. Mr. DANDURAND: I have asked my colleagues to hurry up the presentation of the Bill in the House of Commons so that when it reaches here, in whatever shape or form it may be, we may send it to the Standing Committee on Railways; and then we can call the President of the National Railways, and his engineering staff, to enlighten us as to the merits of these branches.

Hon. Mr. TURRIFF: There is one feature of the Bill that I approve of, and that is the voting of the amount for three years. My reason is this. The chances are that it will be July at all events when we get through this Session, and the moneys voted this Session would not be available in time to do any good. Harvesting operations would be on in the West, and it would be difficult to get labour.

That reminds me that the ex-Minister of Labour criticized us for having to go to the Old Country to get farm labour. That fact hardly runs parallel with his statement that there was unemployment in Eastern Canada. If there was unemployment in Eastern Canada we would not have to go to the Old Country to get harvesters.

Hon. Mr. BEIQUE: I would like to know the opinion of the honourable member on

the building of the Hudson Bay Railway under present conditions.

Hon. Mr. TURRIFF: I will say to my honourable friend that the road has been largely built by his friends, and I say it ought to be completed.

Hon. Mr. SCHAFFNER: Hear, hear.

Hon. Mr. TURRIFF: We in the West today are suffering from the combines. When we were allowed to ship cattle into the United Kingdom, what did the steamship combine do? They immediately raised prices until they were almost prohibitive.

Hon. Mr. BEIQUE: What combine?

Hon. Mr. TURRIFF: The North Atlantic Ocean Shipping combine. I remember the time when thousands and tens of thousands of cattle were carried from Montreal to Liverpool for $7.50 a head. The shipping combine immediately put the price up to $25 a head, they made up their minds that they were going to take every dollar of profit there was in raising an animal. If that were allowed to continue the result would be that the farmer would have to go out of the business of raising cattle. The same thing was done by the combine that controlled lake freights. When we got the Crows Nest rates restored, that combine immediately put up the prices on the lakes, so that the farmer did not get one cent of the advantage he should have gained. That is one point in favour of the Hudson Bay Railway. Even if it is not suitable for the grain trade, it is open during the four months when the cattle are in prime order for being shipped. And let me tell you, honourable gentlemen, the money spent in completing the Hudson Bay Railway would not be wasted half as much as many millions of dollars that are spent in other things—Halifax Harbour, Courtenay Bay, buying railroads in Quebec, that would never pay, building the Welland Canal long before it was needed—the Hudson Bay Railroad is a much better investment than any of those undertakings, and I propose to stand for its completion.

Hon. Sir JAMES LOUGHEED: Put it in the Branch Lines Bill.

Hon. Mr. TURRIFF: One other thing that I would like to say a word about is the deepening of the St. Lawrence waterway. In my judgment you cannot deepen a channel so as to take ocean going boats right up into the center of the continent without that development being of great advantage to both Canada and the United States. But if the people of Canada come to the conclusion that the St. Lawrence should be deepened, no half-dozen or dozen capitalists in Montreal will be allowed to prevent it being done. But before it is done, I want to say that I am quite in sympathy with the stand of the Government that we should find out something about what it is going to cost. For my part there are two things that I would insist upon before the work is undertaken; one is that we should be in a financial condition to carry it on, and, second, that before one shovelful of earth is turned on it, a complete agreement should be reached with the United States in regard to the diversion of water for power purposes in the Chicago canal. Why should we undertake the deepening of the St. Lawrence just now because all of a sudden the United States want it done? Another thing that I would insist on would be that not one single horse-power of electrical current developed on the Canadian portion of the Canal should be allowed under any circumstances to go across the line to the United States. Why should we let the current flow over there? Do you think we would ever get it back?

Hon. Mr. BRADBURY: Never.

Hon. Mr. TURRIFF: Nine millions of people against 110 millions. There would simply be war if you tried to get it back. I agree altogether with the statement made by Sir Lomer Gouin the other day, that all the horse-power in Canada should be kept in Canada. I believe that if the St. Lawrence is deepened and develops great horse-power it should be kept for Canadians, and if it is, the result will be that inside of twenty-five or fifty years that power will be all used in Canada and will develop strong manufacturing centres, and the manufacturers will not need the high protection they have, because with our cheaper water power in Canada and with our good working people they will be able to compete, and do more than compete, with the whole world. But those are some of the things I would want to see done before we entered into any agreement.

Just another word on that subject. I do not believe for one moment that the deepening of the St. Lawrence would affect the rate on wheat coming from the West. I do not believe an ocean vessel can be taken up to Port Arthur or Fort William, loaded with wheat, and brought down to Montreal, nearly as cheaply as wheat can be brought down in lake vessels, because you can transfer 300,000 bushels of wheat from a lake vessel to an ocean vessel in a few hours and at the cost of a fraction of a cent per bushel. These are points that have to be considered. A group

of capitalists want to make money out of the power and leave the Government to pay all the cost of deepening the channel. We are not going to let them have just all their own way.

Honourable gentlemen, I apologize for having taken so long. In conclusion, let me say to my honourable friend the leader of the Government, go on in the way that you have outlined in the Speech from the Throne, carry out those ideas, and you will have the support of the West, you will have the support of the East, and when you go before the country again for judgment you will find that the people, from the Atlantic to the Pacific, will say to you, "Well done, thou good and faithful servant, enter into the seats of the mighty for another five years."

On motion of the Right Hon. Sir George E. Foster, the debate was adjourned.

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

THE SENATE

Thursday, March 6, 1924.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech on the opening of the Session and the motion of Hon. Mr. Pardee for an Address in reply thereto.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, in asking the attention of the Senate for a little while this afternoon, I desire, as is the common and pleasurable custom to associate myself with other members who have congratulated the mover and the seconder of the Address, and I do that with special pleasure in both instances.

My honourable friend who has moved the Address in reply was an old colleague of mine —not on the same side of the political fence— in the House of Commons, and we have there exchanged views, in an atmosphere which sometimes was a little warmer and a little more boisterous than the calm and temperate climate in which we live in the Senate. I am sure that all the contests that may have taken place between us never diminished our respect and regard for each other, and I am confident that the same pleasant relations will subsist during our intercourse on the two sides of this House.

With reference to my honourable friend the new Senator (Hon. Mr. Coté), I noticed with a great deal of pleasure that he vindicated the right of a member to use the French language in the Senate of Canada, and made good his claim in that respect. One of these days I am going to vindicate the right of an English-speaking member of the Senate to use the French language if he chooses, even in the Senate itself, for the expression of his opinion.

Hon. Mr. CASGRAIN: Do not delay our pleasure: do it now.

Right Hon. Sir GEORGE E. FOSTER: It is as much the right of the English-speaking as of the French-speaking member of the Senate.

The observations that I purpose making are casual and not at all in the form of a set speech. I do think that the situation in Canada at the present time is one which demands the most careful and earnest consideration of all classes of the people; and I have been especially thinking that the Senate of Canada has its responsibilities in such a time as this, and cannot very well divest itself of them. The Senate is, as we all agree, a constituent part of the Government of this country. As such it has its responsibilities, and these will be measured very largely by its qualifications. I do not know that there could be gathered together in the Dominion of Canada a body of eighty or ninety men who from their experience in various matters, of business enterprise, of public and corporate work, and even of legislation, would be superior to those who are assembled in the Senate. They come from all parts of Canada. They have cognizance of and acquaintance with the conditions in every part of this country. I have listened, and should be glad to listen still more, to the views of members of the Senate thus qualified, from widely-distributed portions of our country, as to the present situation and the best means of bettering it.

The situation, I think we all agree, is a grave one, if it be not vital. We have come to a time in the history of Canada when we are, I think, brought down to very serious and earnest consideration, not only as to the present condition of the country, but as to its future as well. There is a vein of dis-

content and of pessimistic feeling which is quite apparent as one travels through the country or listens to speeches that are made in the two Houses of Parliament. There is also a buoyant and optimistic feeling, conditioned somewhat by the circumstances of the time, but which refuses to lapse into pessimism or a feeling that the future of Canada may not be assured if proper action is taken and proper conditions are made to prevail. I am an optimist by nature, I think, and I am probably even more so by practice; but I believe the only advantageous optimism, the only useful optimism, is that which is framed upon conditions which are sufficiently well based to carry the optimistic feeling. I think that we are not simply to follow optimism as a trade or profession, but to use our hope and our optimism as based upon conditions which justify it. If there are conditions which do not justify it, it is but frank and proper for us to lay bare those conditions and suggest improvements for them which may justify a feeling of hope and optimism.

What is the situation in Canada to-day? Evidently it is a situation which is taking hold of the attention and thought of the people. There may be many reasons for that, but whatever the reasons are, there is to-day a deeper and wider interest in the condition of affairs in our country and in the policy and administration to be pursued under those circumstances than I have seen apparent in any preceding time during my public career.

One member has suggested that possibly a reason for that is that we have different forms of taxation. I think there is a good deal in that. Almost every individual in our country, every business enterprise, every business man, every corporation, every financial man, every banker, is brought face to face, from time to time, with the paying of taxes which he absolutely cannot evade. They are brought to his notice when the time for collecting taxes is at hand. That induces thought, and pretty serious thought, especially when the taxation bears heavily and is burdensome either on the individual or on his business. That is, I think, one reason why there is to-day an interest, wide and broadly based, in the future administration of this country. It is desired to lighten, if possible, the heavy conditions of to-day and brighten the course of progress for the country in the future.

What are the three basic facts of that situation? In the first place, it is apparent to all of us that in Canada to-day we have a large and increasing public debt. We cannot get away from that fact. In 1914 a debt of $336,000,000 was supposed to be a heavy and crushing one. To-day we have a debt of $2,400,000,000, the burden of which is apparent to and is felt by all. The debt of $336,000,000 in 1914, with the population that we had then, represented a comparatively small amount per head of the people. The present debt of $2,400,000,000 runs pretty well up to $300 per capita of our people, or $1,500 for every family of five.

But not only is that debt large: it is showing year by year the quality of increase. When the war ended by the Armistice the debt amounted to $1,400,000,000. The period of demobilization and of consequently heavy expense extended for four or five years thereafter. It was natural that the debt should increase. It was simply the bringing together of the ends and fragments of the great war expenditure that we had had. But since that has been done the debt still increases by millions of dollars each year, so that we not only have a big debt, crushing in its absolute weight upon the people, but we have that debt still increasing from year to year, and that increase causes anxiety and discontent. As a corollary of that we have, in the second place, a crushing burden of taxation—a burden of taxation which, from the ending of the war up to the present, has tended to increase rather than decrease. So you have not only the debt, heavy and increasing, but also the corollary to that in the tax burdens upon the country, which are largely growing out of that debt and which too are constantly on the increase.

Again, looking about at the individual, or the community, or the province, or the Dominion, you do not find in government and administration the spirit of economy penetrating into and directing or controlling the expenditures. There is still, growing out of the war period, an expenditure which does not make for thrift or economy, but which rather continues the spirit of extravagant spending which characterized the war, as it indeed characterizes all wars.

Those are the three things to be taken into consideration from the economic and the financial point of view.

We have to take into account something else besides; because we are situated alongside a country which is our chief competitor and which is the chief attraction for many of our best people and in other ways. The United States of America did not enter into the war until nearly two and a half years after it had begun. During that time the United States was busy making money, and making

it in very large amounts. It enjoyed a period of industrial and other prosperity during that period of two and a half years, which was altogether exceptional, and tremendously profitable to its people. The United States therefore had less of the burdens of war and less of the difficult consequences of war to combat than we had. But it lies alongside our borders. It is therefore, as I said, a competitor and an attraction to our people. During the time that has elapsed from the period of demobilization up to the present, what has the United States been doing? This has been referred to by my honourable friend the leader of the Opposition (Hon. Sir James Lougheed). During that period the United States has absolutely decreased her debt by nearly five billions of dollars. It has also, in a legislative enactment which has passed one of its Houses, taken off $466,000,000 of the present taxation laid upon its people. Whether that sum is ultimately to be subtracted from the taxes of the people of that country one does not know. The measure has yet to pass the ordeal of the Senate. But it is safe to say that between $350,000,000 and $450,000,000 of taxation will be released to the people of the United States as a result of the legislation which is at present taking place at Washington.

Those two causes make a contrast between ourselves and the United States, our great competing neighbor. We cannot be oblivious to that contrast. The people of Canada live along a border of 3,500 miles close to our neighbors to the South. Canada therefore cannot afford to impose upon its inhabitants, upon the business of the country, a larger taxation, a heavier burden, than is imposed upon the people of the United States. She cannot afford to stand under the contrast of the continuous diminution of debt on that side of the line and the increase of debt on this side.

There are other competitive advantages which the United States has, and there are disadvantages which we have. These accentuate the situation, and our Government and our people, irrespective of parties, from a purely national, economic and business point of view, have got to take that into consideration as a most serious factor for the future progress or otherwise of the Dominion of Canada.

Now, that barely and briefly outlines the situation. It is that which is causing serious thought throughout Canada. It is that which is taking hold of our legislators, I hope, and our Governments, I hope, as well. Then, what is best to be done, and possible to be done, under those conditions that must attract our attention, and that should call for our best co-operated efforts to make the situation better? Without going any further along that line, because it just opens the proposition, have we hope that we can meet that situation? It will be met if the people of this country are absolutely in earnest. Are they in earnest? Looking at sentiment as we find it put forward in public, it would seem as though our people in Canada were absolutely in earnest to have something done which would mend the matter. What is it, then, that we think ought to be done? What is it that the people ought to demand? In my view it is this. First, that there should be an absolute stop put to any increase in the public debt. The public debt is now at a maximum that will acidly test the capabilities of our people and the resources of this country. Under no circumstances should the debt be increased by borrowing or otherwise. If it is increased by borrowing you simply add to the burden by increased taxation.

But not only should there be an absolute stop put to the increase of the public debt, but in my opinion the time has come when there should be a continuous, if small, decrease of the public debt from year to year. That should be the demand of the people, that should be the duty of the Government, and that is what administration should bring about. It is necessary for the health of Canada. Take a man who has been struggling with an individual proposition. He gets up to a point where he finds himself at the limit of the debt that he can bear. If he sees no prospect of diminishing that, he loses hope and initiative; but if he can make a little reduction each year on that capital debt, the view is open to a release from it, and he gets hope and confidence and initiative, and greater power to work. The same psychology, I think, holds with reference to a nation, and it would put spirit into our people from one ocean to the other if we could get to a position, and get to it quickly, where we could say not only will we not increase this enormous debt, but year by year we will bring it down from the total amount, and gradually diminish the burden which we are bearing. I think the whole question comes down to this: is it possible to make such economies in expenditure, and thus at the same time make a reasonable reduction in the taxes which are burdening this country, its business and its individuals so heavily at the present time? It all depends, I think, upon the

administration of the Government and the legislation upon which that administration is based. Is the public mind ready for economies in expenditure? In the main, I believe it is; but I find a good deal of this sort of thing as well: a man will put the case for economy mighty strongly to the Government, but in side whispers he will say, "Don't apply that to my constituency."

Hon. Mr. DANDURAND: And even aloud.

Right Hon. Sir GEORGE E. FOSTER: The whole West is calling out for economy.

Hon. Mr. CASGRAIN: And the Hudson Bay railway.

Right Hon. Sir GEORGE E. FOSTER: The whole West appears to be coming down with propositions that would add very largely to our immediate tremendous expenditures. Note the demand which is to be preferred to the Government for the finishing of the Hudson Bay route as a communication from the West to the European markets. Note also that there is almost a demand for a subsidy from the Government to enable Alberta coal to be delivered to the firesides and the factories of the people of Ontario, and maybe of a portion of Quebec. Coal is a product of Alberta and other western regions, and I am absolutely in favour of making it available in Ontario and places to the east if it can be done economically; but I am absolutely against it if it makes it necessary that the Government shall subsidize the carriage of that coal from the Alberta coal mines to the homes of Ontario. And it is absolutely a subsidy even though you say: "Oh, but we have Government railways; what are they for? Let them foot the difference between the real cost and the amount which is necessary to put Alberta coal into the homes and factories of Ontario." We find men banding themselves together and forming a bank; they elect their own representatives; they put in their own directors; and, as business men, they invest in it their money and put in their deposits. If the bank fails we find people coming to the Government demanding that the depositors' and shareholders' losses shall be made up by the Government. All that goes to show that there is a somewhat divided opinion with reference to real economy in expenditure, and a real keeping down of the vast debt which to-day burdens our country. But in the mass, I believe the people are behind the demand that economy shall be brought about.

Now, is there any line which we can follow as to how economies may be brought about? I am going to treat this question very casually, but I am going to suggest some means by which I think these economies may be brought about. In the first place, I state this prominent fact: the people of the United States, 112,000,000 in number with a territory under actual administration much bigger than our own, carry on the federal administration and government with 9 ministers. The Dominion of Canada, with nine million of people or less, and with a territory widely distributed, has no less than 17 members in the cabinet drawing salaries. We have nearly twice as many as there are in the United States. Does it not strike a business man, and would it not strike even a member of the Government, when he comes to sit down and look at it as a business proposition, that it may not be absolutely necessary to have 17 members of the Cabinet to administer the affairs of Canada when in the United States 9 are supposed to do it with precision and advantage and efficiency?

Then, take the departments of the Government. Is it necessary that they should all be full-fledged departments? I do not believe it is. What reason is there why the Secretary of State Department should have a Minister full-fledged, with all the paraphernalia of a Cabinet Minister? What is the Secretary of State's business? His department is simply a place of record. There is no policy involved, or none that could be called a policy, outside of mere administration methods. There seems no reason in the world why the Secretaryship of State should not be made an appanage of another appointment, and the paraphernalia of a Minister, and all that it involves, gotten rid of.

Then, again, you have the Finance Department which has to provide the money ways and means for the administration of the country, and you had formerly collecting departments such as the Inland Revenue and the Customs, two different, full-fledged ministerial departments. I believe that we would have a more efficient piece of work if the Finance Minister, who has to provide the sums that are necessary for administration, were in charge, and had supervision of the collection of the revenue which he provides for in the legislation that he brings down to Parliament. I think that Customs and Revenue, having been put into one department, might now very well be put into the Finance Department, and one Ministership dispensed with.

Then you have Public Works. What are public works? You have a Department of Railways and Canals to administer the railways and the canal system. You have also

a Department of Marine and Fisheries, the marine part of which is public works, just as much as the Public Works itself. It has the construction and management of lighthouses, and that kind of thing, under its supervision. Is there any reason why you should not have one ministry of Public Works, and have under it, as subordinate branches, your railways and canals and your marine work? Something might be said as to the allocation of the fisheries to a different department. But that could very well be done if it were necessary.

Then, take the Solicitor General. The Solicitor General is simply doing work that the Justice Department must supervise, and there is no necessity for a full-fledged or partly fledged Minister in that Department. I think that if business sagacity and business efficiency were put to work upon these propositions you could diminish the number of heads of departments by at least five.

What reason is there that the Department of Soldiers' Civil Re-establishment should not be put under the Department of National Defence? Why should it necessitate a full-fledged ministerial position with all that it involves?

So I think a business survey of the work of administration of the departments, if made thoroughly, honestly, and from an efficiency and economy standpoint, might well result in reducing the number of Ministers by at least five. Whenever you have a Minister, you have his Deputy, his secretaries, his special men, and all the paraphernalia of a full-fledged ministerial department. The expense of all these could very well be dispensed with. That is one line on which I think economy could be exercised.

There is another ground where unnecessary and extravagant expenses might be dispensed with. What is that? It is in the management of the Civil Service as a whole. In speaking of this, I am not speaking simply of the 40,000 employees, and the salaries they get, and their positions, or what they do and whether they earn what they are paid for doing what they do as Civil Servants. I would go further than that. I would say that a survey of the departmental layout, the plan of their organization, and the methods by which they carry out their plan, made from a practical business standpoint, would introduce economies which would save hundreds of thousands—even millions of dollars. I have had some experience in that matter. My honourable friend the leader of the Government (Hon. Mr. Danadurand) has had a Committee of the Senate appointed to inquire into the Civil Service. I do not know how far that Committee is going to go, but I do know that if the Committee is to be at all effective it has got to go a long way, a much longer way than the time that is at its disposal will permit it to go. For two years I had some experience, along with some of my colleagues in the late Government, with reference to departmental organization. As a concrete example of what took place in one branch of a department—not under my supervision and that of my colleagues, but before we undertook that—I simply cite what was done in the Printing Department. Reports authorized by Parliament were made upon it, and they showed that there was extravagant management, to say nothing more. As a result, the Civil Service Commission undertook a reorganization of that Department and called to their aid certain outside help to enable them to make a proper survey and allocation of the work to be done. To make a long story short, what happened? Re-organization of that Department was effected by the Civil Service Commission, with its assistants, and as a result $600,000 were absolutely cut off the first year, and it was made possible to cut off that amount for each year thereafter. Besides a saving of $600,000, the layout of the Printing Department's work, the co-operation and the interchangeability of the officials and the clerks themselves, the juxtaposition in which they were put so as to prevent loss of time in communications resulted in a service which was infinitely better organized and more efficient, and a spirit of work and emulation and content in that department that you never had before. That is simply a concrete example, and it was possible to do this by a simple application of business methods.

The committee with which I worked, and of which I was chairman, put on a survey of two Departments, with a partial survey of a third. There is an idea abroad which is quite contrary to the fact, with reference to that investigation which was carried on and that process of bringing the Departments into a better condition. Experts were employed, not to say what Civil Servants should be employed, not to say what salaries they should get, but to make a survey of the work which was to be done by the Departments, the organization which was trying to do it, and the efficiency of the method to gain the end in view. That committee did not simply go into a Department and act of itself. It went into a Department and collaborated with a chosen number of the chiefs of that Department, and the two bodies carried on their investigation together. They came perhaps to different conclusions in certain respects, and they canvassed those differences and

came closer together, and in the end their combined report, in many cases entirely unanimous, came before the sub-committee of Council for revision by the committee in consultation with the head of the Department itself. After all that consultation there was an agreement in the matter of organization and of the methods which should be carried out. In the Post Office Department alone, the survey of which we completed, it was made absolutely certain that from $1,000,000 to $1,200,000 per year could be saved and the business done, and under better organization.

That is a system which is absolutely necessary before you can make anything out of Civil Service economies. You cannot bring before a committee a body of clerks and their accompanying Deputy Ministers, and reorganize that service. The first thing that you have to do is to make a survey of that service. A survey was made of the Customs and Inland Revenue Departments, with exactly the same results. The chiefs of the Customs Department sat in conference with our specialists and in conference continually with the committee. An unanimous agreement was reached as to the method of organization, and if that method had been carried out there would have been a saving of nearly a million dollars in the expenditures necessary for the administration of those Departments, Customs and Inland Revenue. These surveys were partially commenced in other departments, and they were completed in the Printing Bureau. They were put largely into operation in the Post office Department, and quite largely in the Customs Department. Then we went out and our committee became a thing of the past.

What has been done since I do not know; but, from my long experience in departmental affairs, from observation and from actual work, with the Departments of Government organized on modern business lines, with efficiency and economy as the only things to be held in view, I am absolutely confident that millions of dollars could be saved and the services of the country better done, and the esprit de corps of the service as a whole be immensely heightened and improved.

These are the suggestions that I offer. I think that as long as we talk of economy in the general we shall get nowhere. Until we have points on which we converge, and objectives at which we aim, we shall not do much in the way of economies in that respect. I therefore put these points—and I could put a great many more—before the Senate as objectives which might be aimed at with very great advantage.

Now I come to another point, regarding a deficiency which has existed under all administrations up to the present. There are times when an effort is made to remedy it. In Canada for forty years there has not been a real financial control over the expenditures of the various Departments of this Government. The Finance Department has not had it in hand, and the Audit Branch has not done effective work in controlling the expenditures after they have been appropriated. That is a vast and most important thing to do. You must have, I think, that financial control intelligently, resistlessly and constantly put into force and operation, and there is need for the continuous and uniform exercise of backbone. What are you going to do to control the expenditures of a great country like this when the expenditures are audited months and sometimes almost a year after they have been made? What is required is a pre-audit: there is no doubt about that; it is the only effective way. It is quite possible to do it, and do it well. But a post-audit is always made after the illegal act has come out, always after the wrong expenditure has been made, always after the diversion of a vote from the purpose for which it was intended by Parliament. Then of course it is fait accompli, and all you can do is to grumble and growl, and a very large part of the Auditor General's work has been grumbling and growling, and he has put his grumbles and his growls in an immense report which we know as volumes 1, 2 and 3 of the Report of the Auditor General. Therefore a financial control by the Finance and Audit Departments, which is effective and continuous and carried on uniformly, is necessary for the accomplishment of large economies.

Hon. Mr. BELCOURT: May I ask my honourable friend if he has ever attempted to verify the extent to which annually there is an excess of expenditure over the amount appropriated by Parliament? Has he done that for any number of years?

Right Hon. Sir GEORGE E. FOSTER: My honourable friend will always see the results in the Auditor General's Report. He will find the over-expenditures and the under-expenditures. Some Departments will not have reached the amount of their vote; others will have gone beyond it. It is all totalled up. But the finding is reached after the expenditures that ought not to have been made have been incurred and disposed of.

Hon. Mr. BELCOURT: What I meant to ask was, did my honourable friend ever attempt to make out, for a number of years, the figures regarding excess of expenditure over appropriations?

Right Hon. Sir GEORGE E. FOSTER: Oh, yes, it has been made every year.

Hon. Mr. BELCOURT: Can my honourable friend give me the figures?

Right Hon. Sir GEORGE E. FOSTER: The Finance Minister knows at the end of the year, from the accounts that come before him, what has been over-expended.

Hon. Mr. BELCOURT: But can the right honourable gentleman tell us what has been the amount over a number of years?

Right Hon. Sir GEORGE E. FOSTER: I cannot tell. The amount runs sometimes into millions. Certainly I should think it would almost always run into millions.

One other thought is this. Every member of a Government who have passed through the hectic period of the examination of appropriations that are to be brought down in the Estimates will know how exceedingly crude and unsatisfactory is the control that is had over the first appropriations or estimates that are put before the House of Commons. How does it all come about? Here is the genesis of it. A member casts about him, desiring to do the best he can for his county, and, in a way, to do the best he can for his political reputation and standing as well. He comes to the Minister of the Department and places before him a list of what he wants. That list is always much more than he ever has any hope of getting. It is always more than the Finance Minister can indulge him in any hope that he will get. But the man who is Finance Minister always has to put up with this. I am, say, Minister of Marine and Fisheries, and you come to me. I say, "You want these put in the Estimates?" "Yes." "Well, I cannot promise you what will be done, but I will put them in for you. It all depends on the Finance Minister. He is the tyrant. He is the man that wields the axe." There is a disposition to put the items in the Estimates and try to pass them through, letting the Finance Minister do the pruning.

If the Estimates from all the Departments come in and are thrown into Council about four of five weeks before Parliament meets, with the idea that Council may pass fair judgment upon those thousands and thousands of items, you are expecting too much from human nature. It cannot be done. Where is the initial difficulty? It is that items are put into the Estimates because they are pressed by people and by interests —often in good faith—but are not sufficiently investigated. The basis for rejection or approval is not placed before either the Department or the Cabinet. There is the initial difficulty. Consequently there is not that supervision which would require that no expenditure be recommended unless there is a necessity for it in the public interest. That alone is the basis upon which the Estimates should be submitted and appropriations made. The difficulty is that that is not done in one case out of ten.

The United States has during the last two years carried out a policy initiated by President Harding. They have not only exercised a pretty thorough supervision over the Estimates for appropriation, but after the two Houses have made the appropriations the President through his officials has gone into the Departments and controlled the expenditures. Mr. Harding, by virtue of his power as President, appointed a Controller of Appropriations and said: "There they are; they have been voted by the two Houses of Congress, but it is your duty to make a thorough examination of them and to cut off such as you think can be dispensed with." Last year and the year before the Controller at Washington cut off between $300,000,000 and $400,000,000 of appropriations that had actually been made by the two Houses of Congress, and in only one case did the President refuse to carry out his recommendation, and in that case, concerning some portion of the Naval Service, a compromise was made.

Now, in some way or other, there ought to be guards, first on what goes into the Estimates, and, secondly, on what comes out in appropriations. We have none. There is no committee which takes those things in hand, as is done in Great Britain, and examines and prunes. We have no controller such as they have in the United States of America. I do not know what it is best to do, but there is something that could be done there, and it would very greatly add to economy.

I am not going to ask the House to follow me further in this matter. I have briefly thrown out certain points to suggest how we might accomplish a great deal in the work of economy and good administration.

There is one other point I must mention before I sit down. There is in the Speech from the Throne an intimation that tariff changes will be made, and there is a pretty good lead given as to certain points on which reductions or entire remissions of tariff taxes will be effected. I wish to point out in the first place, that this is a serious time to commence making reductions in the tariff protection which has been given to our industries in Canada. The situation in Europe is absolutely confused. Exchange is rising and falling

continually. The man who to-day wants to import from France articles which may come into competition with industries that we have here, finds that the value of his money is a little more than four times its normal value in French currency. There is an advantage which any business man will take, as far as he possibly can. That might easily wipe out or completely nullify any protection that an industry in this country might have. This applies not only to France, but in greater degree to Belgium, in about the same degree to Italy, in greater degree to Poland, and to a maximum degree to Germany itself. These things are trials and difficulties which our industries in this country have to cope with, and in a period of indecision and of confusion of exchanges it is not very opportune to lessen the protection which our industries already have.

A great deal is said about the development of our natural resources. It is a high point with the present Premier. It is that upon which is based many an argument. It is said that in Canada what we must do is to develop the natural resources of the country and depend upon them for our prosperity. Granted. The natural resources of Canada are its great guarantee for progress and prosperity in the present and in the future. She has reason to be greatly thankful that she has such splendid natural resources. You ask us to develop them and base our prosperity on that. I say as well, develop them and base our prosperity on that. But are you going to stop at a certain point in development, and thereby have not only incomplete but arrested development? That is the point which we have been considering since 1878; that is the point which we must consider now.

Take, for instance, our forests. What a splendid natural resource the forests of Canada have been and are. Develop them and depend on them for your prosperity. Develop them how far? Up to the simple timber to be exported at a certain value? Up to sawn lumber to be exported at a certain increased value? Up to the point of pulpwood to be exported at a certain value? Are you even to stop there, and have an arrested development, or is it not the duty and the right of this country to continue an uniform and progressive development until that forest production is raised to the highest point of selling value? Then when you sell you get a return which is adequate to the resource itself.

But you do something else. On every subsidiary operation from the raw wood to the paper that is calendered and made fit for consumption, you develop industry and provide employment, and it is that which gives you what you ought to get out of your natural resources.

We are at one that we should develop our natural resources. But the National Policy, the protective system, looks not to an arrested development but to a continued and perfected development along with the lateral advantages that come from that course of action. We have a history in this respect. To-day it would seem as though the Government proposes to traverse a portion of that well-established and well fought out history, if I may so denominate it. What did our forefathers who planned Confederation have in view? They had in view the building of a nation. It was not simply to have a community in British Columbia and another community somewhere in the Northwest, and another in the central provinces, and still another in the Maritime provinces. They had a vision which overcame obstacles of which we do not know the name. They were bereft of methods and means, which to-day are at our hands at every side, and yet they never wavered or faltered.

We must make of this country a nation. To do it we must have more than a paper pact; we must have a practical union. To get that you have to have national transports and a national tariff as well. That was the outcome of the trouble from 1875 to 1878, and after a full study and a full strife on that question, Canada inserted those two things in her programme—a national transportation and a national protective tariff; and those two things have gone side by side, hand in hand, the one with the other, and have made Canada what she is to-day.

Suppose we had gone in single harness and had not linked up with a national transport system and a national protective system, where would we have been? Suppose we had taken the shorter lines of communication, and had neglected the through lines, where would this country have been? What would have been its position compared with what it is to-day?

So we are coming back to discuss that same question again, and it must be discussed, and it must be settled. To my mind there is only way of settling it. You must have stability somewhere. The curse of the business position to-day, and the difficulty of it, is that there is no stability in it. We had an Opposition which for seventeen years preached revenue tariff, and almost if not entire free trade, and which called down the protective system in every shape and form. The Laurier Government, however, found it

healthful to swallow their opposition principles, and continued a fairly protective tariff. We then had the utterances of a party working for renewed power. Their 1919 platform laid down certain propositions; it created an impression and a condition in this country of which capital and labour had to take cognizance, and of which they did take cognizance. Then we had the repudiation of that platform by men who were at the convention, who declared, when they brought down legislation, that they were not in favour of the platform and never intended to abide by it; and financial proposals were made which did not tally with the platform. Then the Finance Minister says: "Now, let us have stability; that is what this country needs for its business prosperity." The Finance Minister unfortunately is on his sick-bed; Sir Lomer Gouin unfortunately is in ill health; the two balance-weights of that Cabinet seem to have disappeared, and now we have almost a plain intimation: "Reverse your engine and go back to free goods or to the minimum tariff."

That does not give capital or labour a chance. No capitalist will invest his money under conditions of that kind. Under the Conservative Administration capitalists and labour knew one thing—that their principle was a protective one, and that they would give a fair tariff, which was necessary to keep the industries on their feet. Now capital and labour have no security at all; consequently they are both affected.

Some men say that we are not losing population. I like to speak of that under my breath, as nearly as possible, but I say that no man could have travelled in Canada, and gone in and out of the ports of the United States during the last summer and autumn without seeing the numbers that were going from Canada to the United States. Why is this? It is because there are better conditions for labour, better conditions for capital, and better conditions for business. Under depressed business conditions in this country our men cannot get employment, and our capital cannot advance or expand. There must be some basis of security upon which to go.

These are all the remarks I wish to make this afternoon, and I end with one thought. Are we in Canada down-hearted? I do not think we are. If we are, we ought not to be. We have got to take a long vision ahead; we have got to have regard to history as well; and we have got to make sacrifices in order to bridge the space which comes between periods of prosperity. I cannot go through

our country from one end to the other and look at its resources and its 40 years of progress and think of the infinity, almost, of resources that remain yet undeveloped, without saying to myself that it all depends on ourselves. But let us be mighty careful that in trying to bridge the spaces we do not make use of materials which are insufficient for national support, and which will not carry the weight which is to cross them. British Columbia, Alberta, and even Saskatchewan and Manitoba, in the not very far distant future will become increasingly larger manufacturing countries. There are great hopes and prospects, which seem to me to be well founded, with reference to Alberta and British Columbia. Years ago in the Western States there was the same difficulty. The East was the manufacturing part of the country and the industry of the West was confined to raising cattle and agricultural products. There was that disparity of interests between them, but they worried through, and to-day the middle west is one of the greatest manufacturing centers in the whole of the United States of America.

We may not have the same comparative extension of manufactures in our middle western provinces, but on each side of them we are bound to have a large extension of manufacturing and diversified interests. We must, I think, have that in Canada. We must have employment for our people; we must have security for our capital; and we cannot have them unless we have a diversified industrial life. With the circumstances as they are to-day in this old world, when every country not even excepting Great Britain has its protecting barriers, we are at a disadvantage when we pull our barriers down below the living rate for the industries which are our need in Canada. Especially is that the case with reference to the United States. It will probably not be many days before President Coolidge will say that the duty on wheat must be raised to 50 cents, and that the duty on other agricultural articles must be raised. If the farmer in the West cannot make his own implements, yet he must have them. Suppose that by a tariff extinction you shut up these industries in this country where will they be made? They will be made in the United States of America; they will be made by United States labour; the profits on them will be on United States capital. The homes that will be built up will be United States homes, and those homes and that labour will be largely supplied by the transfer of the best elements of Canadian life across the line for those purposes. We cannot afford to have our skilled labour leave our country and go

to the building up of other countries. That question, whether there be a Liberal Government, a Conservative Government or a Progressive Government, would occupy the attention of those who work out these plans and administer them; and I devolve upon the head of my honourable friend who represents the Government here, so far as I can, the full weight of that responsibility, and I ask him and his Government to stop, look, and listen, before they go too far.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I have only a few minutes, but I would not like to see the eloquent speech of my honourable friend go absolutely unanswered. I have taken just a few notes. I congratulate the right honourable gentleman not only on his well-known eloquence, but on his eternal youth and good complexion. He has spoken of what took place thirty or forty years ago—of affairs of state in which he took so prominent a part—but you would think by his appearance he only came into public life yesterday.

My right honourable friend spoke at considerable length on the debt of Canada. He was very modest; he said it was $2,400,000,000. That is very little, as he knows, as an ex-Minister of Finance. Canada owes a great deal more than that when we take into consideration what we have guaranteed in the way of bonds for the railroads—I have not the exact figure, but I think if all the items were added up the total would be not far short of $1,600,000,000. So in my humble opinion the real debt is not alone the figure which the right honourable gentleman has mentioned, but $4,000,000,000.

Right Hon. Sir GEORGE E. FOSTER: That reinforces my argument.

Hon. Mr. CASGRAIN: I have no objection to that. It shows also in what a terrible condition my honourable friend and his friends have left us. He tells us himself that when they took office the debt was $236,000,000. It had actually been reduced, for I remember that at one time during Sir Wilfrid Laurier's regime it was over $300,000,000. But my honourable friend and his party have increased the debt, and now we are face to face with not ten times but about twelve or fifteen times as great a debt per head as there was in the golden age of Sir Wilfrid Laurier.

The right honourable gentleman spoke for some time on how to decrease expenses. He told us how Departments could be merged, and I agree with him. But the right honourable gentleman did not tell us that he and his friends had not only 17 Ministers, but, I think, 20 or 22, amongst whom was an Overseas Minister in a Department in London, England. However, I think it would be a very good thing if some of the Departments were amalgamated. Take Trade and Commerce, for instance. My right honourable friend held that portfolio for a long time during which he journeyed all over the world. The duties of his office in Ottawa must have been light indeed when he was able to make so long a journey.

But my right honourable friend should be glad to know that, notwithstanding the terrible situation left to us by former Administrations, we are told that the budget is to be balanced. Personally I am sceptical about that, I admit. Still that is the statement made. Well, even this talk about balancing the budget is pleasant. It is a silver lining to the cloud. How they will balance the budget is more than I can understand. If it is merely a question of bookeeping, it is easy enough; but large expenditures must be incurred for railways and transportation on capital account.

My right honourable friend spoke of national transportation and the National Policy. The National Policy was in effect from 1878 until Sir Wilfrid Laurier came into power, and for some years afterwards. Still, in the words of the famous Edward Blake, we had an empty Northwest and an empty treasury, and people were leaving this country in greater numbers than they are leaving it at present. That was all under the National policy. However, the National Policy may be a good thing. Personally—I say it openly and I do not care who knows it—I am a protectionist. I agree with the right honourable gentleman that all our products should be manufactured and finished right in this country. I am not ashamed to say so. This is a free country, and surely anyone can be a good Liberal and be also a good protectionist.

Hon. Mr. MURPHY: No, he cannot.

Hon. Mr. CASGRAIN: In the Liberal party everyone is entitled to his own opinion. It is not like the Tory party, in which everyone must hew to the line, or keep his nose to the grindstone. We are the party of liberty, and every Liberal is entitled to have his own ideas.

The right honourable gentleman waxed very eloquent in discussing our natural resources—the forests, the lumber and the pulpwood. If he would cast a glance at the Province of Quebec he would see that we are doing what he advocates. We are manufacturing pulp and selling paper. For a long time the Province of Quebec has actually prohibited the

exportation of raw material from Crown lands. I am pleased to declare in this House that I was one of the first to go to Sir Lomer Gouin, in company with Sir William Van Horne. At that time, I must say, he was not very favourable to the proposal, but he became favourable to it, and to-day we are turning out the finished product. I would like to see the finished article produced in every case.

The right honourable gentleman said a good deal about economy, but he seems to have kept away from one of his pet hobbies, a subject on which he has spoken from Halifax to Vancouver—the League of Nations. There is a matter in which we might effect a little economy. The League of Nations is costing us nearly $200,000 a year, or about $400 a day, and what do we get from it? Would anybody in this country be any the poorer if we kept that money here? Could we not find some way in which to use that money to better advantage? There is an expenditure of about $200 a day—by whom? By a notorious socialist, M. Albert Thomas. He is spending Canada's money. For what? Socialist propaganda. Talking about departments, how many has Mr. Albert Thomas under his control? How many stenographers? One hundred and nineteen. And what salaries they get! There is a matter in which the right honourable gentleman might have advocated economy, and nobody would suffer as a result, because, as I have stated many times, we have no more right to be in the League of Nations than we had to be at the Washington Conference.

The Empire Parliamentary Association issues monthly reports, and in one of these I find the statement that at the Washington Conference, where we had representatives, there was only one vote for the whole British Empire, although in the League of Nations each Dominion votes, and the British Empire has six votes at Geneva.

I see also in this report of the Parliamentary Association that somebody—I think it was Mr. Downie Stewart—was asked what in his opinion would happen if at Washington any particular Dominion had refused to acquiesce in the decision of the British delegation. Mark you, honourable gentlemen, the credentials of the British plenipotentiaries were different from those of the delegates of the Dominions. Supposing there had been a divergence of opinion between the delegates from the Dominions and the plenipotentiaries from Great Britain, what would have happened? The answer was that the British plenipotentiaries would have signed the Treaty and it would have held good for the whole Empire.

Whilst we are on the subject of economy, let me point out a saving that might be "They have been made in France." French effected this year again. Each year we have voted in the Budget $60,000 for an Ambassador at Washington. An appointment has not yet been made.

I find also in this document from the Empire Parliamentary Association something which I would like to quote, because I have often stated the same thing, and I am pleased to observe that someone, apparently a man of substance too, agrees with my opinion:

> If on any question conflict arose, no general policy could be evolved. Exactly the same difficulty was going to arise if Canada pursued her policy of claiming the right of separate representation through her Ambassador in America and elsewhere.

There are five or six dominions, and there is the home Government. If conflict arose, what would our poor Sovereign, King George, do? Canada might advise one thing, Premier Massey of New Zealand might advise another, and Premier Bruce of Australia still another. Mr. Smuts has declared that South Africa will go to war whenever it likes. I commend to honourable gentlemen the reading of this report. Mr. Smuts says that South Africa will go to war when it is ready, and will make peace whenever it is ready. There are some people in Canada who would say that Canada could do the same thing; that Canada is not necessarily at war when Great Britain is. I read in a Montreal paper last summer an article to this effect: Suppose a Canadian ship is in a German port, say Hamburg or Bremen. Along come the Germans and they take possession of that ship. The Captain says: "Hold on! This is a Canadian ship, and we are not at war." The Germans say: "How is that? We are at war with England." "Oh, yes," replies the Captain, "But Mackenzie King stated in Ottawa that Canada was not at war." "Who in the world is Mackenzie King anyway?" they would say, and they would take the ship just the same.

I am sorry, honourable gentlemen, that my time is so limited, but I would like to deal for a few moments with the British preference. The right honourable gentleman did not mention that when he was referring to the fluctuations in exchange and to the depreciation of foreign currency. One of the most important factors is the British preference. You will be surprised, honourable gentlemen, to know, if you do not know already, the situation at Bradford and other places in England where woollens are manufactured. Merchants who have establishments on our principal streets have gone from Montreal to England, as they have been doing from the time they com-

menced business, for the purpose of buying goods, and what goods have they got? They said: "These goods are not made in England?" They were told no. "Where have these goods been made?" The answer was: "They have been made in France." French cloth is to be found in the shops of the best tailors in Montreal. You never saw that before. Why is it there now? Because of the depreciation of the franc. The manufacturers are asked: "Are you not making any here? Your woolen factories in England are almost idle." The answer is: "We can buy the goods in France and sell them to you cheaper than we can make them ourselves."

But, honourable gentlemen, you ask what this has to do with preference. Here is the explanation. Many of those cloths are unfinished. I have seen them myself. Some come to St. Johns, Quebec, where there is a factory now, and in the condition in which they arrive they must be very cheap. They are put in proper condition there. It is the same with gloves. We have glove factories. I am sorry to say that many of those we had in Montreal are closed to-day—why? Because gloves are imported from Germany, Italy and France more cheaply than they can be made in Canada or in England—even in free-trade England. A large buyer of gloves in Montreal went across to buy his usual supply. When some gloves were shown to him he said, "These are not English gloves; we want Dent's." They said, "We haven't them; we are not making them." "Why?" "Because we can sell you these gloves cheaper than we can buy the skins."

Our friends the farmers in the West are very strong on that British preference. They do not know that it is hurting them. Take hides, for instance. There are shoemakers and leather workers idle in Montreal to-day—why? Because hides are imported into England from continental countries whose currency is depreciated, and those hides are made into boots, which are shipped to Canada as English boots, and undersell those made by our own people. The consequence is that our people are idle when they should be employed in making boots for use in Canada. There is a result of the preference.

For twenty-five years we have been giving England a preference. When Sir Wilfrid Laurier said, "We ask nothing in return," those were the words of a chivalrous Frenchman. If he had been a Scotchman, he would have asked, "What will ye give?" But he simply said, "No, we ask nothing in return." But he expected something, and there was no more disappointed man in Canada in that respect than Sir Wilfrid Laurier himself when, as years and years rolled on, no recognition came, no preference was given to us. On the contrary, Great Britain excluded our cattle for 35 years. Now that the embargo has been removed they are placing all sorts of obstacles in the way. A good many cattle were exported from Canada to Great Britain the year before last, but last year, owing to obstacles of all sorts, the exports amounted to very little.

As to the British preference, I say, let the people of Great Britain look after themselves, and I do not blame them for doing so. Canada also should look after itself and should say, as Mr. Massey of New Zealand and Mr. Bruce of Australia have said, "If you do not want to give us a preference, there are other people who will, and we can make arrangements with them." I think that would be one of the best things for Canada. This country wants revenue. There would be more duty paid on goods imported, and that would increase our revenue and would at the same time afford protection for the workingmen and also be a good thing for the farmers in selling their hides. It would also be a great advantage to the farmers to have protection for their wheat; and why should they not have it?

Hon. Mr. BENNETT: Come over.

Hon. Mr. CASGRAIN: We are the children of Great Britain. We have made many sacrifices for the British people. We fought for them in the war—I had three sons there. Well, why should they not give us preferential treatment? In the British market Canada is at present on the same basis as any other country, even strangers. The Germans are treated every bit as well as we are. Why should we not have a little preference? Even a slight preference on wheat would mean a great deal to the farmers in the Northwest, and yet it would add very, very little to the cost of bread in Great Britain. I figured it out, and I know it is infinitesimal.

I was very sorry to see Mr. Baldwin rush into his protection policy without the people being prepared. We had seen, for instance, automobile factories growing in England. A big duty, a tremendous duty, was imposed on automobiles—I think it was equal to one-third ad valorem. What was the consequence? Henry Ford went there and built a huge factory, and in that factory in England men are working at good wages, and the surrounding community, which has to supply those work people with food and clothing, is prosperous, and agriculture is prosperous too.

The right honourable gentleman said a good deal about the taxes. The taxes are terrible, but who is paying them? I took the

trouble to look into that matter, and I find that, as usual, my poor old Province of Quebec is the one that is most mulcted. It has been the milch cow of this Confederation ever since it entered, and is yet. In income tax Quebec pays per capita $9; Ontario pays $8.25; Manitoba pays—considerable for a Western Province—$7; British Columbia a little less than $7; Alberta, $2.70, or a little less; Nova Scotia, $3; New Brunswick, $2.75; Saskatchewan is a very rich province, according to what we hear. Premier Dunning says: "I have a million dollar surplus; what shall we do with it?" He was very much insulted, according to an interview in the Star, when he was told "Pay your debts—what you owe on the guarantees you gave for the railways." You see, people enrich themselves when they pay their debts. Saskatchewan pays $2 as against Quebec's $9. I am sorry the honourable gentleman from Prince Edward Island is not here, for he would be shocked to learn that Prince Edward Island pays exactly $1 per head. There are 88,000 people in Prince Edward Island, and they pay $88,000, exactly $1 per capita. I think Prince Edward Island is a poor speculation for Canada. However, the exact total is $59,711,559.

Now, although Quebec, as I have said, is the province that pays the most per capita, how is Quebec treated? In all the building of railroads with money out of the public chest, what has Quebec got? We have only one-fifth per capita as much railway mileage as Saskatchewan. So railroads do not seem to make for prosperity. Here is Saskatchewan, with five times more railroads than Quebec per head of population, and it pays only $2 per capita in income tax, whereas Quebec pays 4½ times as much per capita income tax. Surely Saskatchewan must have too many railroads. That must be what is hurting that province.

Hon. Mr. WATSON: You have the terminals in Montreal.

Hon. J. H. ROSS: What do the farmers do?

Hon. Mr. CASGRAIN: They do their share.

Hon. Sir JAMES LOUGHEED: Move those corporations up to Ontario or Alberta and they would pay quite as much.

Hon. Mr. CASGRAIN: The right honourable gentleman explained how he had investigated several Departments and as a result millions of money had been saved. They started the good work and affected a saving in some Departments. I suppose they suffered from remorse of conscience because they had been spending too much money, and decided they ought to spend less. But some of their work was left undone, when the people of this country chose other administraters, and since the present Government has come into power they have dispensed with 2,700 Government employees.

Hon. Mr. STANFIELD: Then why is there not more room, if they have dispensed with those clerks?

Hon. Sir JAMES LOUGHEED: Why are they renting more premises?

Hon. Mr. STANFIELD: A few months ago they took over three floors of the Jackson Building.

Hon. Mr. CASGRAIN: I cannot answer that. However, the former administration must have found themselves very much cramped, because when they came into power they dismissed 11,000 Liberals. They afterwards put in 22,000 of their own friends. No wonder it was necessary to increase the accommodation.

I am very sorry, honourable gentlemen, that time does not permit me to continue. I could have gone on further, but as I have to take the train I must cut my remarks short. The right honourable gentleman referred to conditions thirty years ago. I read the other day a review showing the conditions existing in Canada twenty years ago—what were its exports and its imports, etc.—and I was surprised at the marvellous progress we had made in the twenty years. I am one of those who were pessimistic, but if we make half of that progress in the two next decades, I thing Canada will be able to pull through its difficulties, and I trust that by same arrangement or other we shall be able to lessen the burden. I think the prospects are good. According to what we hear, in speeches and otherwise, the National railways are not doing too badly at all. I am agreeably surprised to observe how well they are doing. They are doing so well that they are, I believe, giving some concern to their rival, the Canadian Pacific railway. I have heard of Canadian Pacific railway officials complaining about unfair competition from the C.N.R. Well, I know that when people commence to say that unfair advantage is being taken of them, they are not getting the better of it. When people commence to whine, it shows that things are not going quite well with them. However, there is the fact which we must look in the face. The two systems cannot exist together in this country for long. If you are going to have Government ownership in the country, you cannot have private ownership at the same time. So, if Government ownership is going to be a success, the C.P.R. will have to join

with the rest, and then we will have the whole thing.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. R. H. POPE: Honourable gentlemen, I believe it is customary for all who speak on this occasion to offer either congratulations or sympathy to the mover and the seconder of the Address. I know so much about the mover (Hon. Mr. Pardee), and he knows so much about me, that possibly it is better I should not say anything about him, for fear he should say what he knows about me. I am not at all disappointed, however, at the way in which he has acquitted himself on this occasion. As for the seconder (Hon. Mr. Coté), he is an entire stranger to me, and I congratulate him, as well as myself, upon being lucky enough to get into this House for ever and one day after.

The Speech from the Throne should in itself, I presume, represent something of the intentions of the Government of the day. It is customary, I believe, no matter how hard the times may be, or how difficult our position, to extend felicitations upon and thanks for the prosperity that surrounds us. I am glad to see that this Government has not neglected to do that, because, if it had, we would never have known of the splendid success which is being enjoyed and which is appreciated by everybody in this country, and it would be very unfair to us to have His Excellency come here without offering in what he had to say, some succour or relief, if not in money, at least in spirit. I join with His Excellency in saying I am glad it is no worse. I am sure he will be delighted to know that he has my sympathy and support in this matter.

The honourable gentlemen who have spoken upon this side of the House, especially my leader (Hon. Sir James Lougheed), have pictured the new form of Government. I am not going to deal with that question, honourable gentlemen. What I am going to say will be said to the gentlemen who now govern under the constitutional system under which we find ourselves placed. Whether that system is the best that could be or not, it is the actual system that we have to deal with, and if there are any shortcomings in administering the public affairs of this country, this Government is responsible for those shortcomings.

Without desiring to be extremely partizan—though I honestly confess that I am partizan—my criticism will be directed towards the Government of the day. There possibly may be some constructive features in what I have to say, but they are not mine: they are ideas inherited from people who have gone before. I say this because we are really not in a new period, so there is no reason why we should not be governed by what has been done in the past, and no originality or novelty of thought is required to deal with the issues of the day. Canada had the same issues to face after the American war, but not in the same intense degree. Transportation by land and sea in those days had not been perfected to the extent which it has been to-day, therefore our market was not so open to the world's competition as it now is. I think that any man who reflects upon the conditions of 1878 and reads the result of the elections at that time, will realize that the people of Canada on that occasion were wise when they decided upon a National Policy to protect the industries and the people of Canada. If they were wise in 1878, it does not require a great deal of acumen to see what would be wise in this present day and hour. The depreciation of currency, the low cost of labour, the ruin of Europe after the recent war, exposed our market in all directions, whether agricultural or industrial, to a competition that cannot survive under ordinary systems of protection.

The leader of the Government, in his remarks here upon this occasion, endeavoured to prove to his satisfaction and relief, I presume, that he was imitating to a certain extent the tariff of his predecessors. Imitation is the strongest feature of the Liberal party. It always has been. The Liberal party is devoid of originality. That fact has been recorded in the history of this country over and over again, and I would have been disappointed if the Finance Minister the other day, when he wanted $100,000,000, had not imitated Sir Thomas White, ex-Minister of Finance, and appealed to the people of Canada for the money. Instead of going outside for that money, which we need very badly, and bringing it in and putting it into circulation here, imitation, which I say again is a strong feature of the Liberal party, came to the front.

Then, again, they imitated, or attempted to imitate, the pre-war tariff which we had, a tariff which in my estimation never was strong enough. Some honourable gentlemen may differ with me on that, because I am an extreme protectionist and believe in a high tariff for a new country. I believe that to encourage capital to come into this country you need a high tariff and not a low revenue

or free-trade organization. I do not believe that under any minimum degree of protection it is possible to restore this country to that degree of prosperity which I believe every honourable gentleman in this House wishes to see. If I were going to say anything of our American friends, I would say they were very wise. They have developed a wonder country. They have 100,000,000 people, while we have 9,000,000 people; they have wonderful trade connections; but I would say to them for their benefit that if I had my way we would give them tariff for tariff as they have given us. We are both on the same continent; we own half and they own half—and permit me to say that we have the bigger half, and I consider that we have the better half. I really believe it. We have a vigorous climate which produces a vigorous people; we have not the southern climate that weakens them. In proof of this, see how the Americans are always asking for our young men to go over there and take positions of confidence in matters of business.

Then, as to the mineral resources of this country. I do not think there is anything to compare with them, but I do not think that our Governments have realized their possibilities. For every acre of agricultural land we have several acres of minerals, forests and fisheries. I think you will agree with me, honourable gentlemen, that the policy of Canada has not been broadly Canadian in that respect, and that whenever we have seen fit to go to these natural resources and dig out of the ground these minerals—be it asbestos or copper or nickel or something else—or to go to the forests and hew down what nature has grown through centuries, we have not adopted a policy that has encouraged the industrial development that should be associated with the removal of these things from nature. Our nickel has gone forth and other nations have supplied the labour; the same is true of our asbestos, and, to a large extent of the products of our forests. In my humble opinion, we have failed as a people to appreciate the value of the complete development and manufacture of these things that nature has given to us. For this reason and some others, we have to-day on the northern half of this continent ten millions of people, whilst in the country to the south of us they have one hundred and ten millions of people, amongst whom I regret to say they have probably as many people who ought to be Canadians as we have in this country who are Canadians.

Now, as we approach the result the Great War has imposed upon us, a debt of three billion dollars, it becomes us to be more scrutinizing and more critical of the policy we shall pursue in order that we may meet conditions. Not only have we that national necessity imposed upon us by the Great War, but we have also imposed upon us the result of the folly of the Government under Sir Wilfrid Laurier, which undertook the construction of two transcontinental lines, both of which, unfortunately for that Government and more unfortunately still for the people of Canada, have proven to be failures in regard to sustaining themselves. Those railroads imposed upon the people of Canada a most extraordinary burden at a time when, in order to provide the necessary money to protect our liberty and the liberty of the Empire to which we belong, we had enough to confront us. Because of the mongrelization of the present Administration, I suppose there are some who would object to that.

We are promised in the Speech from the Throne a reduction of taxation; we are also promised a tampering with the tariff. Evidently somebody has left that Administration since last year. In order that I may be well understood, I must quote what was said by the present Minister of Finance, who is unfortunately indisposed:

> There is a thought which does not receive as much consideration as I think sometimes it should be given in public discussions, and that is the desirability of something like tariff stability. Business men do not like to be always threatened with changes in the tariff. It is desirable that something like an assurance of tariff stability should be given to business men. Such assurances are very desirable, for no business man would care to enter upon enterprises which may be brought into peril by frequent tariff changes. I think the country should be content to accept the tariff as it stands as one as fair and reasonable as can be prepared under all the circumstances, and business men should be able to carry on their various enterprises without the fear of being soon disturbed by further changes.

It is hard to realize, honourable gentlemen, that these remarks were made by the present Minister of Finance only a year ago; yet we read in the Speech from the Throne that there is to be a disturbance of the tariff and duties are to be reconsidered, This Government must imagine that the people of Canada have an extremely short memory. I admit freely that the people are agitated and that their viewpoints change more quickly than they used to do. There is not so much of the Family Compact as there was at one time, either on one side or on the other. Still, to expect us to forget those remarks in a single year is to expect too much. I think that what His Excellency was asked to state is an imposition on our intelligence.

The tariff that we had prior to the war, the depreciation of currency and the lowering

of wages in Europe—the tariff previous to all the changes in conditions caused by the war—is to-day no protection for the industries and the people of Canada. Permit me to say that in my humble opinion there is not a line of encouragement in that tariff. You cannot maintain industries and business in Canada and develop this country as it ought to be developed, under even the tariff left by the Conservative party ten or twelve years ago. We must be prepared to meet the new conditions as they exist.

We have seen during the last year a development that has caused enormous loss to this country. I refer to the exodus of native-born Canadians. I notice that in a record published at Washington it is stated that there had been counted at the boundary line 208,000 Canadians, who had paid their $8 a piece entrance tax, or whatever it is called, for entering the United States of America. I think honourable gentlemen will agree that if 208,000 people qualified under those conditions, it is not too much to say that 500,000 people who should be in Canada have left Canada during the past year.

Think of the economic aspect of this matter. A child is born in this country and is reared to manhood or womanhood. Think of the cost of education, care, clothing and all that. When our children arrive at a stage of usefulness, 21 to 30 years of age, we lose them. Think of the big school houses that have been opened in the country districts in all the provinces of Canada, for the purpose of educating people who leave this country and go to the United States of America. Much has been said in this House by the honourable gentlemen who have preceded me with reference to the economic situation. I know of nothing that affects the economic situation and the future of Canada so seriously as the exodus of our citizenship. It is bad enough to bring people here, from England or other parts of Europe—selected people, if you like—and to lose them afterwards. It is only after all, a matter of a few dollars and cents to bring them across the Atlantic and to see that after remaining here a few months they find their way across to the United States. We regret that; we should regret it; but what is more to be deplored is the fact that native-born Canadians grown to manhood or womanhood under the conditions I have mentioned, of education and all the rest, leave their families who have lived in this country for the last century more or less. The policy prevailing in this country does not give them the means of earning their bread and butter in the land of their birth. Let me say to this Government that it is their duty to recognize this appeal, not from me, but from the numbers who have left Canada and crossed the border line to the United States and become citizens of a foreign country. I know of nothing that appeals to me so much as that. You may speak of the export of cattle, sheep, and other products, or of our imports—which I will deal with briefly in a few moments—but what are they in comparison with the exportation of living persons, full of youth and vigour, from Canada to a foreign country? Surely there must be something wrong in all this. Surely these facts mean more to us than the millions of dollars of taxes, however severe may be the burden of taxation we have to bear. We must bow our heads in shame—ay, in shame, honourable gentlemen—that we have not the courage or the ingenuity, or that we have not a Government who will inaugurate a strong national Canadian policy, to keep the boys and girls of Canada at home in the land of their birth. To me figures of exports and imports mean little, but the exportation of those people means everything. I say to this Government of the day, as I said to them a year ago in this House, come down with your policy; come down with your big Canadian policy; submit it to the Parliament of Canada; and if they turn you down go to the people of Canada with it. They have failed to do so. Instead, we see this shuffling of the cards on the political table. We have seen strong men like Fielding worked to death. We have seen Sir Lomer Gouin leave the Cabinet. It is said he is in ill health. I do not know. Any man who puts his finger upon the policy of the centres of great vitality in Canada—at least, they should be centres of great vitality, they are centres of wealth—knows full well what the condition is. I venture to say to you that there is somebody who was sitting over there today, from the city of Montreal, who will move from one position to another. There will be others to follow, far and wide in this Canada of ours. Why do they hesitate? Why do they linger? Why do they, before our faces, make deals with the Progressive organization, so called, from Alberta, Saskatchewan, Ontario, or wherever it may be from? Is Canada to be governed, not by policy, but by blocs—by specimens of this and that, gathered together—and are our great interests to be temporized with for the sake of anybody drawing the salary of a Minister of the Crown? Surely the time has arrived, honourable gentlemen, when this Government should appreciate the fact that Canada is suffering a great loss.

We hear it said by the Prime Minister that Canadians are returning from the United States. It is not for me to speak of the in-

telligence of the Prime Minister, but if I were to measure his intelligence by that remark I should say that he is unfit for the position that he occupies. It is not for me to say that; but let me tell the Prime Minister of Canada that when those utterances are read along the international boundary line, in counties such as that in which I live, where people are seen day by day passing over to the United States, it will be known that those utterances of the Prime Minister are not borne out by the facts. It is impossible for me to believe, honourable gentlemen, or pretend to believe, that the Prime Minister did not know when he made that statement that it was very far from the facts. I could criticize him for the past, as he is criticized in the streets, but it is not my desire to do so. But it is my desire that he, as the head of the Government of Canada, should cease misrepresentations of fact to the people of Canada and should give us instead a strong national Canadian policy that will develop and conserve the natural resources and the industries of this country and keep our people at home.

There are many side issues in this matter. They speak of protection as a thing that is going to impose on the majority of the people of Canada a tax for the benefit of the few. I do not hold that view at all. Protection, as I understand it, is an equalization of conditions. The conditions that we have to equalize in this country are the exchange situation, cost of labour abroad, and competition in various ways. It is the equalization of those conditions in business that enable you and me to contend with the importations from outside. As to the so-called free trader, I do not know with whom he is going to free-trade, because all countries in the world, excepting ours and Great Britain, have a high tariff. And how you are going to free-trade with people who will not free-trade with you has never been explained to me since 1878, when Sir John A. Macdonald described free trade as a jug-handled policy. If we are going to approach the task of reconstruction in this country with the idea of not equalizing conditions, then I say we are wrong. They must be equalized. You must give the Canadian a chance in his own market, it makes no difference whether he is engaged in industry or in agriculture.

Looking at the figures the other day I was a little surprised to find that in the year which is about to close, and ten months of which have already passed, the imports into Canada from the outside world, in agricultural products, in meat, fish, vegetables and other foodstuffs, and that sort of thing, which we can produce in Canada, will amount to $235,000,000 or $240,000,000. Those products compete with the products of our own farms. As honourable gentlemen know, I have been a farmer all my life. I follow no other occupation than that of the agriculturist, or tiller of the soil. I have laid down this principle before, and I lay it down again, that I know of no farmer on the face of God's earth who has the same privilege of feeding the Canadian people as has the Canadian farmer, and it is protection, and protection alone, that gives him this market. When I quote this figure of $235,000,000 or $240,000,000, do the Government understand that? Do they realize that in the country to the south, one of our greatest competitors in agricultural products, the sun begins to shine earlier in the spring than it does in the north? Do they realize that products grown in the gardens of the United States come to maturity earlier than ours? Do they realize that the first harvest from those gardens comes into Canada, and by the time our garden products and other crops are ready they are taking the offscouring of those same lands in the south and sending it up here in competition with our products? I state here, honourable gentlemen, without fear of contradiction from any farmer who studies the situation and is as practical as I have been, that there is no way for this northern land to compete with the land to the south in the articles that I have just mentioned, unless it is safeguarded by a strong line of protection.

When I first came to the Parliament of Canada, thirty odd years ago, I learned, purely by accident, that Swift and Armour were about to take our markets in Canada, as they had taken the markets in New England. You know what they did there. They went to the centres that had been dealt with there as they are being dealt with in Canada, by the local butchers. In every city and town in the East, to say nothing of villages, they established a distributing centre. They sent there one man who opened up a fine shop, surpassing anything that that town or city had ever seen and they began offering to the people of Concord, New Hampshire, and of other central cities and towns in the East, meats at lower prices than they had ever offered before. In that way the local butcher was put out of business. Finally the local butcher came around to this new man and said: "How is this?" The answer was: "I can sell you meats at a price which will enable you to make money, and you will not have to have any butcher shop or place to kill cattle; you do not have to do all that dirty work; we can turn over to you carloads

of sirloin, tenderloin, or anything you want, and here are our prices." He became the wholesale agent. He was really the agent of Swift and Armour, and they took possession of all the centres of industry—the cities and big towns of New England. They drove the home butcher away. Then, when they had done so, they dictated the prices that the people had to pay. As I was going to say, about thirty-three years ago they were coming into this country. I chased them from London, Hamilton, Toronto, Montreal, St. John and Halifax. I went to the man who was Prime Minister of this country, Sir John A. Macdonald, and I laid before him what I had discovered. There was then a duty of one cent a pound. What happened? At that very Session the duty was increased to 4 cents a pound. Since then it has been reduced one cent. The duties on eggs, butter, cheese, pork—all the agricultural products in Canada were put up at the same time, The Liberal party appealed for unrestricted reciprocity the next year, and got the boots beaten off them, because we had given encouragement to the farmer; we had shown him where the facts were.

What is the situation to-day? Beefsteak was worth in those days 10 or 15 cents a pound, no more. That was a lot of money. To-day, when it is from 25 to 35 cents a pound, what is a protection of 3 cents a pound on beefsteak or other meat, as compared with 4 cents when the price was 10 or 12 cents a pound? We have no protection to-day, and what is the result? Go to the big consuming centres like Montreal. In the Mount Royal Hotel, for instance, you will find the guests eating Chicago beef, not Canadian meat. A village like that in which I live is not sufficiently large to attract the American packers, and if the people are short of local meat you will find them eating western beef. But in the great centres, where meat is required in large quantities, it is worth while to buy a cargo from Chicago. Do the farmers of this country, be they in the East or the West, North or South, think it is in their interest that a policy of this kind should be pursued? Do they not honestly think that, with a tariff of 10 per cent on those meats, which is quite small enough for the present time, as compared with 3 or 4 per cent thirty years ago—that with a tariff of 10 per cent, to give them this market for themselves, there would be more money in it for them than in a little reduction on binders which they are not going to buy for four or five years? In my humble opinion, there is no comparison.

Take butter and eggs. Until a few years ago we held a supreme position in those products. What is the matter when New Zealand can send butter here to-day by the shipload to defy our competition and take the place of our own butter or reduce the sale of our own product? New Zealand as you know, has a mild climate. It has an open climate all the year round; and it is not the only country in the world that has such a climate, but it has perfected its system of manufacturing butter and other dairy products as many another country has not. So they are keen competitors in this market, be it either East or West. They land it in the city of Montreal, and in the city of Vancouver, and compete with our own people who are endeavouring to make ends meet and who, when their stock is tied up by the neck in the stable, are feeding it with the product of their summer's labour. I say that the man who is doing legitimate farming in Canada is entitled to a protection that will make it possible for him to prosper and to supply the people of Canada with their requirements in his line.

Someone has spoken of wheat. Some years we have a great deal of wheat; some years we have not. Let me say to this honourable House something that they know, but which I wish to put upon Hansard—that no country has ever become permanently successful on a single crop. I remember perfectly well the story told in the western States; that the people grew wheat till the mortgage on their property was bigger than the pile of wheat they grew. At that time they were in as bad a position as our people of the West are in to-day. I know whereof I speak. I am associated with the West in a way which keeps me in close touch with conditions. Instead of exporting my children to the United States I sent them to the West, and I know that to-day, if you have to draw your wheat any distance it costs 60 cents a bushel to put it in the cars or in the elevator, and that there is no chance to make a dollar for a living—and that is on the basis of 40 bushels to the acre, not upon 20 or 25 bushels. The only man in the West who has been able to succeed at all is the man who had a quarter section and grew crops on it, and had a neightbour who did the same thing with whom he co-operated. Instead of paying men $6 a day to work for them they worked together.

Now, what has happened? During the war there were wild prices for wheat, $2.50 a bushel or thereabouts. We had some poor crops during that time. The farmers in the West were mostly young men. The world seemed to be gay and open to them, and they may have been extravagant. I do not say they were not; I do not say they were all econo-

mists; in fact, I presume the economists were few and far between. However, these young men were Canadians, and made an effort when they saw the opportunity. But later, when the war ceased, and the tide came in, and the grasshopper made his appearance, and the blight or possibly frost or dry weather, these poor devils who had been led to believe that a single crop was the salvation of the future found themselves in the most despondent and awful circumstances. If they had been taught the lesson of mixed farming they would have had at least a portion of their livelihood left. But co-operative alliances were formed, and these men believed every story told them. They did not realize that there was a great political organization growing up under them which had not the truth in it and which had not their welfare at heart. They lent themselves to the Farmer party, or the Progressive party, whose argument was that if they had free access to the markets of the United States they would be prosperous.

Honourable gentlemen, forty years ago a lot of trouble was taken to establish the fact that in the Northwest of Canada we could grow the best quality of wheat in the world. It was proved by sample test that a bushel af Canadian wheat would make more flour and better flour than a bushel of any other wheat, with the result that independent authorities in England, which was the great consuming center for wheat, accorded us a commanding position. We felt then that we had a market for the wheat which we had to sell, and that we could go into that market and command the highest price the world had to offer. Now, what do the Progressives say? They say ship this good wheat of yours down to the United States to mix with their wheat so that the mixture can be sent to England to compete with yours, and you will get rich. That is the whole story. It sounds like a fable when you repeat it here, but it is a fact. This advice has been followed until the United States has put on a duty—which is the only friendly act on the part of the United States that I know of for a long time. Now they are going to raise the duty to 50 cents. I wish to goodness they would put it up to a dollar and let us send our wheat direct to the market that consumes it, either in the raw state or as flour. I do not care how it is done, but let us let the world know that if they want the wheat that produces the best flour in the world, the best keeping flour in any climate, it is grown in Canada and cannot be bought anywhere else; then we will get a price for the wheat that will return a reasonable compensation for its production. But we have an effort on the part of the Government to conjure with the importers from the West. We have seen the Prime Minister playing with them. We have seen the real Grit—because we have a few in this House—grin with delight at the wonderful success of this combinaiton. We have seen him shake hands with himself in the dark, and say: "Thank God, Fielding is gone, and Gouin is gone; now we are in possession of a combination that has neither principle nor national honour, and we will be able to keep in power for at least two or three years." I do not think they can go much beyond that point. So much for that.

I cannot dwell too earnestly upon what I consider to be of national value in our assets. I think my old friend Sir George Foster, who is an economist of high degree, said to-day that it would be an awful thing for Canada to draw coal from the West over the National Railways at a price that would not pay the overhead. Well, my old friend and I disagree so materially on that point that we will never be in the same tent when coal is being discussed. I know of no better use to which the National Railways can be put than to bring fuel to points of consumption either from Nova Scotia or from the prairies. I know of no better occupation for these railroads from the first of May to the first of September, a period during which they have thousands of cars and hundreds of engines idle. To my mind it is much better to keep men engaged in this work than to send them to the United States to work there. Let us relieve ourselves of the serious disability of having to depend on a foreign nation, no matter how kindly disposed it may be. We were warned last year that the time was close at hand when possibly the United States would not be able to give us more fuel, and our supply would be curtailed. If that is so, it behooves us to get ready for that day.

Every $100,000,000 that we can keep in Canada is worth more than 6 or 7 per cent. We want every dollar we can get; we never wanted money so badly as we do now. I do not remember the times of 1878 so well as some men here who are older than I am, I do not remember that period from the money point of view, but I remember it from its political history; and from what I know of it I do not believe there ever was a time when money was so urgently required for Canada as it is to-day. If instead of allowing our money and our people to go to the United States we can keep them employed here in developing our natural resources, we will make

our citizens happy and comfortable; and whether that is a tariff policy, or some other kind of policy it is the only one that will make Canada worthy of the name of nationhood which has been bestowed upon her.

Some people say the western coal is soft coal. We threshed that out in this House last year. We know of the Hoppe field, and the whole of Canada knows of it. We know that it contains millions of tons of anthracite, that it is only 75 miles from a railroad, and that there is no reason why that coal should not come here. I was told the other day—I do not know whether the statement is true or not—that there has been a very favourable rate made for the carriage of products from the Pacific to the Atlantic in order to compete with water transportation via the Panama Canal. I would not like to quote the figures, because I have not been able to verify them; but if there is any such rate in existence there is no reason why we should not have the coal of the West delivered in the eastern provinces.

I do not believe any province in Canada has a greater right to national development than Alberta, with her oils, gases and coal and timber resources. I am convinced that we never had a province better qualified for industrial development, and I say it is a crime—I do not care who or what Government does it—to go amongst the people there and tell them that they have only the narrow future of growing wheat and things of that kind when nature has been so kind to them. Why, honourable gentlemen, the coal in the Hoppe area, of which I have already spoken, compares favourably, more than favourably, with the anthracite that we get from the United States. It is purer and better, and if steam coal, soft coal, friable coal from Alberta can be delivered in Ontario with some satisfaction, and it is, the same rate applied to anthracite would bring it here just about as cheaply as we can get it from anywhere. But there must be a national policy, a national spirit, to accomplish that end. We must not be governed by blocks of people called Progressive organizations or Liberal organizations.

My honourable friend who moved this Address (Hon. Mr Pardee) spoke of unity. I suppose he meant unity of Canadian sentiment. If we are going to have a unity of Canadian sentiment we must have unity of policy. We must be true to the promises of Confederation as well as other things. This Government has not been true to the people of the Marititme provinces; it has been false to the spirit of Confederation.

Hon. Mr. MURPHY: That is true; it is too true.

Hon. Mr. POPE: There is no use talking of the Intercolonial as a paying proposition. It never was intended to be that; it was an offset to the canal system of Ontario and Quebec, and was agreed to at Confederation by Sir Charles Tupper. The sacredness of that pact is an inherited thing, if you like, in the sections down by the sea. They think they should have this special treatment.. They have been told of it for one or two or three generations, and if anybody, under any pretext whatever, violates the sacredness of that pact, he has not a desire for the unity of Canada. Mile after mile of non-paying road has been added by bankrupt institutions to the Intercolonial Railway, and the people of the Maritime Provinces have been told: "You must be taxed by freight rates, passenger rates, etc., until you make this whole system pay." The Government had no right under the pact to tax them to make the original system pay, let alone the addition of bankrupt roads that were added to it, and I am in full sympathy with the people of those provinces. When we realize the disturbed condition of Canada, as well as the rest of the world, we must recognize the importance of being true to the trust that has been left in our hands. It is important that we prove true to the promises and pledges given at the time of Confederation. We ought to go a long long way in the direction of establishing unity of sentiment in Canada.

Speaking of railroads, there was offered to us last year a Branch Lines Bill. It was thrown into this House in the last hours of the Session, and, without preparation, we were asked to swallow it as it was presented. Since that time I have taken the opportunity of looking into that matter, and I consider that the authority on which I speak is reliable. I want to say to the honourable leader of the Government—I am sorry he is not here, but he can read my statement, if it will do him any good—that we were not treated fairly; we were not given the information that ought to have been given us. The Government of the day did not want us to pass that Bill. I am satisfied of this now. I did not know it then. They wanted to camouflage. They wanted to impose the Bill upon the Conservative Senate of Canada, so that it might be said in the West that they had defeated it. You have read such statements over and over again. The leading Liberals sitting in that front row over there practically all voted with us, but in the newspapers throughout the length and breadth of this country you have not found that fact stated.

Hon. Mr. STANFIELD: Not in the Liberal newspapers.

Hon. Mr. POPE: That is cowardly. It is not decent. It is not courageous. It is not worthy of any Administration.

I am convinced also of this fact, that there were lines included in that Bill that had no business to be there at all, and that did not meet with the approval of the General Management of the National Railways. I am absolutely satisfied on that point. They were included in the Bill to camouflage it. There may be roads that ought to be built in the West. I do not say there are not. There may be unfinished roads that should receive our attention. Well, if the Government desire to have us attend to them, let them bring their proposals down early in the Session. There is no excuse now, because they know exactly what they are. They do not have to wait until the last minute. They can lay the proposals before us to-morrow just as well as any later day, as soon as the Address in reply to the Speech from the Throne is passed. The Bill can be introduced in this Chamber. We have here a member of the Government who will introduce it for them. Then we shall have an opportunity of examining it, and if we find that there are people who are suffering from lack of transportation facilities, and who have been led to believe that those facilities would be provided, we will do our best as the Conservative Senate of Canada to see that they are treated properly. But, so far as I am concerned, if those measures are brought here at the last minute, requiring an appropriation in a lump sum, I would not only vote them out, but I would not give them one dollar of Supply until they went to the people of Canada. I would go much further and I would take all the responsbility that went with my action. This House, composed as it is, is not a body to be joked with or fooled with, or misled or deceived by any Administration. We are independent people here, and I think we are worthy of the seats we occupy. If we are, then let us be fair with all the people. Let us be fair with those people in the West. I am bound to say that a vast area was opened up there for homesteading that should not have been opened up as early as it was. Nevertheless it has been opened up, it does not matter by what Government. In opening up those lands they invited the people to go in, as they have done in the Peace River country. You cannot invite people from the four corners of the world to go in and occupy those areas without giving them reasonable transportation facilities within a reasonable time. I know that, and, so far as I am concerned personally, I am prepared to support that proposition. Let it be on reasonable, sound business grounds. Let the Government bring down to this House their proposition in this respect, and other propositions as well, in time to permit us to discuss them properly. They have no right to say that I am opposed to the proposals because I am a Conservative. As a Conservative I and the people who went before me voted to build the C. P. R., in spite of the Grits, and did everything to develop this country, in spite of the Grits. Therefore no one has a right to say now that I am not prepared to do a little for the man who lives in an isolated district out there, who was induced to go there and was placed there by the Government, whether that Government was Liberal or Conservative. That man is entitled to consideration, and permit me to say that in my humble opinion he can turn to this side of the House with a better chance of success than he can to the honourable gentlemen who sit on the other side as representing the Government of the day. That is my honest opinion.

A few honourable gentlemen on the other side voted with us last year. What prompted them to do so? I give them credit for being sincere, as we were. We must understand, honourable gentlemen, that when we expend money for branch lines we are going to increase the overhead on the National railways. Those branch lines are not going to pay the year we build them. We must be prepared for all that outlay. There must be no criticism from the honourable gentlemen over there some other day—which is not so far away—that we increased their burdens, because we do it with our eyes open. Every mile that you build of that road will have to be rebuilt in the next 15 or 20 years. We know from experience that there will be necessary re-grading, re-ballasting, re-tying and so on; therefore it will be years before the everhead will benefit by the construction of those roads.

Hon. Mr. MURPHY: What about the equipment?

Hon. Mr. POPE: The equipment we have pretty well in hand.

Hon. Mr. MURPHY: No, you have not.

Hon. Mr. POPE: Whatever extra equipment is required will also be a burden upon the overhead. Notwithstanding all that, I want it distinctly understood that there is at least one man sitting in the Senate who is

prepared to assume all that responsibility; and I am certain that I am not alone. However, I want to do it intelligently, and I do not want the Government to try any more camouflage, as they did last year, and expect that they will receive assistance from me to remain in office, for they are not going to get it.

I notice that considerable time has been devoted by the economists—I do not belong to that class, you know—with reference to the cost of the Civil Service of Canada and the number of people employed. There is always an effort on the part of one Government to put the blame on the other party. I understand that we appointed a committee the other day to investigate this matter. I do not think it is worth the time that it takes. The people who ought to be held responsible for this situation are the Government of the day. They must accept responsibility for the fact that, in my humble opinion, we have three employees for every one that is required for the proper carrying on of affairs of this country. I firmly believe that. I know the expense is double what it ought to be. I know that we have not the efficiency that we should have, and I know that it is only the Government of the day who are responsible for that, and they must accept the responsibility. There is no use of their trying to shirk it. That will not do. Of course, during the war we increased the number of Civil Servants from, I think, 29,000 to about 50,000. That was quite natural. The last year that the Conservative Administration were in power they discharged over 8,000. There have not been 8,000 discharged during this last year—or these last two years —as there should have been. Economy is a national necessity, especially when people are being taxed as they are to-day in every direction. There is not only the Dominion taxation, but also the provincial. Nobody escapes to-day. The burden that we have to bear in that respect is tremendous; therefore we are materially interested in these ideas of economy to a degree that we never were before. And the people throughout the length and breadth of Canada are talking about them. If all I wanted was the defeat of this Government—which I do not care a snap of my finger about—I would be delighted with the conversation that is going on in the streets, blaming the Government for all the burdens which the people are bearing. Nothing would please me better. So, if my honourable friends want to avert some of that criticism, the best thing they can do is to direct their attention, as the late Government did, to a reduction in the number of employees, the bringing together of some of the Departments and the abolition of others, thereby making a bold bid for economy. If the former Administration had remained in power, instead of being defeated, to-day there would not be so many Civil Service employees paid out of the taxes of the people of Canada, nor would we have as many Departments of administration as there are to-day. My reason for thinking so is that the former Government passed a Civil Service law which was being carried out while they remained in office. However, public opinion saw fit to dismiss Hon. Mr. Meighen and his Administration and substitute the present Administration, a mongrel organization composed of peculiarities of the human family that have been produced from time to time in the various parts of Canada and grown up to manhood. They have had bestowed upon them the extreme honour of being called Ministers of the Crown, members of Parliament, and so on. Many of them are getting $4,000 a year, more money than they ever got before or ever will get again, and, in my humble opinion—with just a wink of the eye—a few other little things thrown in—a little something for the binder—a dollar here and a few cents there—that they may still be able to retain power for the next two years, to the gratification of the extreme Grit who sits in this House or in some other place. Thank you.

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

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

THE SENATE

Friday, March 7, 1924.

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

Prayers and routine proceedings.

CIVIL SERVICE COMMITTEE

Hon. Mr. DANDURAND: I would move that the names of Right Honourable Sir George Eulas Foster and Honourable D. O. L'Espérance be added to the Civil Service Committee. Sir George Foster, as he told us yesterday, was the chairman of a sub-committee of Council that worked out the reform of the Civil Service, and I think his experience will be very helpful to the Committee.

I have been told by the honourable the ex-Minister of Labour (Hon. Mr. Robertson) that

he would like to be freed because he has some other special work in connection with the Senate. I would not move to have his name dropped now. If he feels that he cannot serve, he may withdraw later on.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I would like to have it distinctly understood that I am not going on that Committee if it is a condition that my colleague, Senator Robertson, should withdraw.

Hon. Mr. DANDURAND: Oh, no, there will be no such condition.

Hon. Mr. MURPHY: Before the motion is put, I would like to draw the attention of the leader of the Government to the fact that there is one province that is not represented at all on that Committee. I think it would be fitting if every province were represented.

Hon. Mr. DANDURAND: In conjunction with my honourable friend opposite I will examine into the matter and see if we can enlarge the Committee further.

The motion was agreed to.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. W. H. BENNETT: Honourable gentlemen, in rising to continue the debate on the Address in reply to the Speech from the Throne, it is my pleasure to associate myself with the kindly references that have been made to the mover (Hon. Mr. Pardee) and the seconder (Hon. Mr. Coté). The House naturally expected an incisive speech from the honourable the mover, known as he has been not only in the House of Commons but in the Provincial Legislature as well; and it was not disappointed. As to the seconder, I welcome him very heartily to the Senate. I heard it once wittily remarked by an honourable gentleman who has a seat in this House that the Senate of Canada was not only the greatest club in Canada but had the longest waiting list. Whether that be so or not, one can always consider that it is a desirable thing to become a member of this body. The honourable gentleman, having lived in the West for a number of years, and having followed his profession as a land surveyor, will be able on many occasions, no doubt, to give the House first-hand information on many projects in regard to that section of the country which come before this House for discussion.

We have had a Speech placed before us by His Excellency, which might well be described in the words of Euclid as length without breadth. It certainly has length, but very little can be said for it as to its breadth. I must congratulate the leader of the Government in this Chamber on the fact that he has certainly devoted himself to an endeavour to defend his Government at a time and on an occasion when the country is asking for an explanation and a defence from the Government, because his remarks in the main have been addressed to the trade and commerce and tariff policy of the Government of the day.

So long as I can remember, from the memorable time of 1878, the tariff question has always been a burning issue in this country. There has been a well-defined line of cleavage between the two parties from 1878 on. It is true that while the so-called Liberal party made certain professions when in opposition, they adopted—and it was for the good of the country—the policy of their opponents in the main when they attained power. For this reason the country had a fair measure of prosperity.

Consequent upon the Great War, a time arrived in Canada when men should have devoted more than ordinary attention to what was to be done in the future. During that time the party at present in power had an opportunity of seeing what was going on throughout the world. European countries were generally increasing their tariffs, and our neighbour to the south, our greatest rival in trade, increased its tariff in a way in which it had never done before. What did the Liberal party do during that time to make provision for the aftermath of the war? Was it not to be expected that thousands of men would come back from Europe, and that many of them would be out of work? Was it not to be learned that after the war production would be cut down to a great extent, at least on the part of the concerns which had been manufacturing munitions of war? If there ever was a time for a Government to sit down and seriously consider what action should be taken to afford employment, it was with the advent of these gentlemen into power.

It is true that they were bound by a certain number of promises made in 1919 to reduce the tariff; but it would have been better for the country had they gone back on those promises for all time to come, as they had done for two years, rather than permit the trade of the country to slip away as it has been doing in the last few years. Yet, when

we take up the Speech from the Throne, what do we find in one of the first clauses?

My Ministers are strongly of the opinion that a reduction of taxation is of first importance, and that to this end the efforts already put forth to combine strict economy in the administration of the public services with rigorous retrenchment in public expenditures, should be furthered in as many directions as may be possible.

On the question of economy, the present is not a time when this country should have been so anxious for economy in public expenditures had the affairs of the country been wisely conducted, because then we would have had throughout this Dominion a measure of prosperity.

How has the country been progressing in the last few years? Last year we were told by different speakers that we had had a rather low tide of affairs. Well, honourable gentlemen, is not depreciation as rampant to-day? Every week there are published in the press of this country reports from different mercantile agencies as to the number of failures that are occurring. Compare them with the lists of last year and you will find they are almost as great. And, remember, last year the press found a certain degree of consolation in the fact that the weakest mercantile and manufacturing concerns went to the wall first, just as the ripe apples fall first, and prophesied that if we would only wait for another year the question of so many failures would be a thing of the past. Yet if you take the list for last week you will find that in the two months of January and February there have been in this Dominion no less than 580 failures. It may be said that these are only ordinary country storekeepers. That is not so at all. In many cases the failures are those of large manufacturing concerns, many of which I can cite —advertised in the newspapers from time to time as selling their assets. There must be little consolation in these things for the honourable gentleman who leads this House. He must be getting a thorough awakening, because in that list of almost 600 failures no less than 205 have occurred in his own Province of Quebec. I regret to say that there has been a corresponding or even larger number in the Province of Ontario. Is it not high time, when we see this state of affairs in the country, that we should become, as at least a large number of people have become, alarmed? Yet a clause in the Speech from the Throne says:

I am glad to be able to congratulate you upon the many evidences of increased prosperity. Though the general economic situation still reflects the consequences of the World War, the records of production, trade, transportation, employment, and public finance have been uniformly increasingly favourable throughout.

These are the words of the Government in the Speech, but such facts as I have stated are staring the people of all parts of this country in the face. How idle it is to talk about this country being in a state of prosperity when people are fleeing from it as if there were a pestilence. I am not going to vouch for any particular number as showing the extent of the exodus to the United States or to any other country. Figures have been quoted here showing an average of about 17,000 a month going to the United States during the past few months; and that number not only leaving this country, but also taking the oath of allegiance in the United States, or giving notice of their intention to do so. Figures have been quoted in this and other places to show that over 400,000 people have quitted Canada in the past year.

"The state of general employment has been distinctly better." Why should it not be better in the country, even when only an ordinary amount of business is going on, after the exodus of this vast number of people from Canada? I suppose that if a person in any town or village in the Province of Ontario, or any other part of the country, wished to employ a man, he could doubtless find him and give him employment; but there is not a great number to pick from, on account of the exodus. The reason for any improvement in the state of employment is that there is a better chance for the people who are left.

That is all I intend to say on the question of the trade of this country at the present time.

It is all very well for honourable gentlemen to refer, as I have heard them do, to the earnings of the railways. What has this Government had to do with that? Did it produce the sun that shone on the great wheat crop in the Northwest, or did they increase it? Not one bit. The energy and thrift of the people there produced that crop, and that is not at all due to any action on the part of this Government.

Hon. Mr. DANDURAND: I claimed no credit for the crop.

Hon. Mr. BENNETT: No, not for the crop. The crops that the honourable gentleman has been trying to gather were different crops, and he cannot claim much credit in regard to those. I will refer to them later. On top of this vast exodus of the people, and the depression existing, as it does, honourable

gentlemen say that now they are beginning a reign of economy in this country. Well, actions speak louder than words. It is true that they are startling many girls and other clerks in the Civil Service to-day with the threat that their heads are going to be cut off. Everybody knew that the Civil Service was overmanned. But how have these honourable gentlemen dealt with that situation? They knew that with the ending of the war a large number of these clerks could have been dispensed with. Two years ago they had an opportunity to dispense with them. Why did they not go about it then—pay them a couple of month's salary as a bonus, as they are talking about doing to-day, and dispense with their services, and even give them an opportunity of going to the United States if they wished? There are a great many things that they might better have done in those two years than at present, when they are starting this wild raid on the Civil Service, with the intention, as they state of reducing Civil Service expenditure. This Government came into power pledged above all things to a policy of retrenchment. It is true that during the war heavier duties devolved upon Ministers; but one of the things that honourable gentlemen opposite have always cried out against was the large number of Ministers. Yet, although two years have passed away, they are not uniting departments and in that way getting rid of the surplus number—two, three or even more Ministers of the Crown. Go where you will, over this province or any other province, and you will see evidences of the reckless expenditures this Government have entered upon.

Let me give just one instance that occurs to me regarding my own riding. A Government boat happened to be lost in the seas on the upper lakes. A new boat was wanted. It was not absolutely necessary; there was no particular need for it. But the cloven hand of the politician came in. The sum of $100,000 was voted to replace that boat. What happened? Although it was not necessary at all, a boat was purchased which is unfit for the work—purchased of course from a political friend of the Government, without any advertisement calling for a boat that would be fit for the purpose. No attempt was made to obtain a vessel that would be suitable.

Hon. Mr. DANDURAND: What is the name of that boat?

Hon. Mr. BENNETT: The honourable gentleman will hear of it very soon in the Public Accounts Committee, and a little relish will be added to the affair by the fact that the gentleman who sold it never owned a boat before, and the only qualification he had for any political cleverness or business acumen was the fact that he was a Home Bank director. The boat is called the Murray Stewart. I say that had that boat been put up at public auction in the city of St. John, where it was for months, and an effort been made to sell it, the boat would never have brought $40,000; and yet, without competition, there is handed over the sum of $80,000—to whom? A political friend of this Government. And the honourable gentleman will find that the trail leads from this Government to the Home Bank in other affairs.

Hon. Mr. MURPHY: It is the pork barrel again.

Hon Mr. BENNETT: It will be found in the Public Accounts. I might have added that I think several thousand dollars have since been added to the cost, on account of repairs. I know that the boat was held up at Midland for some months, and was having several thousand dollars worth of repairs put on her.

Hon. Mr. DANDURAND: What department bought it?

Hon. Mr. BENNETT: The Marine and Fisheries, of course. What other department would be expected to be having reckless expenditures—except its twin brother Public Works Department?

Now let us look at the Public Works Department. Here, right under the guns, what do we see going on? Any honourable gentleman who walks down Wellington Street can see an area of nearly one-third of a mile in length of buildings and if he asks to whom this property belongs, he is at once told, "It belongs to the Dominion Government." "These vacant shops—these brick buildings?" "Yes. the Dominion Government." And what has happened here within the past few months? A couple of political hangers-on have a building down near Sussex Street, and the Government, although they have one-third of a mile of frontage on Wellington, consisting mostly of vacant shops, go down to a street off Sussex—George Street is the name, I am reminded—to purchase there from a couple of political friends, on the eve of the Halifax election, a certain property for no less a price than 120 odd thousand dollars. I ask the honourable gentleman (Hon. Mr. Dandurand) what they are going to do with that property. All he can answer is, "God knows," because nobody else knows what they are going to do with it.

Hon. Mr. DANDURAND: What is the name of that building, or the name of the vendor?

Hon. Mr. BENNETT: The building belonged to a man named Labelle—or Labelle & Boulay. It was at one time known as the Ottawa Wine Vaults. That building to-day, I am told, is not assessed for over $40,000 by the city of Ottawa, a city in which assessments run high.

And commission? Why, the country has been pestered to death with commissions. At $20, $30, $50 a day, politicians are engaged on commissions on which thousands of dollars are being expended and by which practically no results are attained. There was a laughable event in Western Ontario last summer, when a prominent Ottawa politician, wishing to sojourn at his summer residence in that part of the country, was holding court with the Indians in the district of Brantford. He had a commission of inquiry concerning the Indians there, and it continued week after week. I suppose that when the Bill is presented it will be found that several thousands of dollars have been expended in that respect.

Talk about letting a few girls out of the Service. Why, these Ministers have become so high and lordly as they roll around the city in their automobiles that they cannot notice at all what is going on. It is all very well to talk about economy. We are told that they want to economize; that here in the city of Ottawa there have been for years a useless expenditure by the late Government in respect to hiring buildings. But it is well known, and it has been stated in the public press, that they recently rented three flats in the Jackson building on Bank Street. As for private cars, there never was a time when private cars were run so much as they are at present by these honourable gentlemen, and the excuse given for it by the First Minister the other day was that they wanted to learn something about what was going on in the country.

Hon. Mr. MURPHY: They could not travel in an ordinary car.

Hon. Mr. BENNETT: There is no doubt they have been moving around.

Now, let this farcical talk of economy cease. Economy of that kind is not economy at all, and in nine cases out of ten it is done for no other purpose than political leverage. The Government of the day stands in this position, that three Ministers of the Crown have strong charges preferred against them. One case I will refer to—that of Mr. Sinclair, Minister for Prince Edward Island. That is a case of expenditure by the Crown. Is it a matter of credit to Canada that a Minister of the Crown to-day sits in the councils of the mighty while his close associate is behind prison bars over in England? That is true, and the public press repeats it to-day. I could not do better perhaps than read the letter of Mr. Larkin in that respect, because I think it should be published more widely than it is. What were the circumstances? Mr. Sinclair secured the assent of this Government to pay for the services of a man named Mitchell who was going over to the Old Country to act as agent for Prince Edward Island. Remember, the Province of Prince Edward Island had refused to have anything to do with that man in the matter of payment of his expenses, but his expenses are paid by the Dominion Government. At once his action over there attracted attention. The man was going about offering land in Prince Edward Island for sale, and extolling it in great fashion, making all kinds of promises, as the people innocently believed, on behalf of the Province from which he had come. His conduct was of such a nature that, to use the words of Mr. Larkin, the High Commissioner himself:

> I am afraid Mr. Mitchell is a bad lot. He refused to come over and see me, and there is no doubt that he is continually selling these lots, on which, as you point out, no man can make a living.

"I have therefore had him stopped," and so on.

> I feel that personally, my skirts are clear, because I reported to the Honourable Charles Stewart, after seeing Mr. Mitchell, that I had a very poor opinion of the appointee.

Who is Mr. Stewart? The Minister of the Interior. Here is the fair fame and reputation of Canada involved, and, worse than that, the money of Canada is taken to send a man over there on behalf of certain political friends who own the land that was being sold, as Mr. Larkin says in his letter, at extortionate prices.

This Government cannot humbug the people by making believe that they are either practising economy or carrying out any particular principle. They have been tried in the balance in the last few months, and with very poor results. They went down to the city of Halifax and opened it. The whole strength of the Government was there, from one end of the Province of Nova Scotia to the other, and from adjoining provinces as well. Minister after Minister went to the constituency, in which the Government had had a majority of 5,000 only a few months before, and they were routed there, horse, foot and artillery, by the indigation of the people of Halifax. Yet these honourable gentlemn will not take a hint. They will not believe that the people of this country are so disgusted with them that they want a general election, to put an end to their sufferings.

There was another election, a more redoubtable one and the result is a bitter pill for the honourable leader of this House. That was the election held in Kent, New Brunswick. The honourable gentleman could not have believed that the Government could be defeated in a riding which had a large French Canadian or Acadian vote. The Government's chief organizer, the honourable Senator from Vaudreuil, was there with the rest of them. The present Minister of Justice was there; also the present Minister of Marine and Fisheries, who was not Minister at that time. Oh, what a fall was there! A majoritiy of about 1,500 was turned into a minority of 208. That should be sufficient to convince this Government. If honourable gentlemen would like to contest an election in the Province of Ontario, I would suggest that they open a constituency there. There is to-day a vacancy in the Senate for a German representative to succeed the late Senator Ratz. The gentleman who is entitled in all fairness to the appointment is Mr. Euler, member of the House of Commons for North Waterloo. I would like to see the honourable gentlemen open the constituency of North Waterloo by the appointment of Mr. Euler, a very capable gentleman, to the Senate. They know what would be the result.

What is the reason for the feeling that prevails against this Government? It is due to the fact that they came into power at a time when every possible effort should have been made and every influence exerted to put the country in order, first, in regard to economy, and, next, in regard to the administration of the country and the tariff. Since that time what have they done? They have been confronted with the condition—and they are confronted with it to-day in a worse manner than they were last year—that they have not a clear majority in the House of Commons. To-day, if there was a measure of strength of those elected, those elected to oppose the Government would outnumber them by two votes. And here is this exhibition of truckling and trading so that they may maintain themselves in power, and all this truckling and trading is done at the cost and expense of the manufacturers of this country. I am not going to read the pledges which these gentlemen made in September of 1919, because they have been read and reread; but I do say that it is only fair to place a word on Hansard of a statement made last year by the then Finance Minister. I have here under my hand a statement of the Hon. Mr. Fielding, which has been read once or twice:

Hon. Mr. BENNETT.

I think the country should be content to accept the tariff as it stands as one as fair and reasonable as can be prepared under all the circumstances, and business men should be able to carry on their various enterprises without the fear of being soon disturbed by further changes.

That was the statement made by Mr. Fielding in the House of Commons last year, the then and present Finance Minister of Canada. But unfortunately certain things have happened, and we all regret the absence, and particularly the cause of the absence, of Mr. Fielding from the House. Circumstances have arisen since then, and Mr. Fielding is disregarded. Sir Lomer Gouin, who believed in a protective policy, has left the Government, and the result is that the Government finds itself in such a position that a vote in the House of their united opponents would put them out of power. For that reason they have started trucking and trading with the so-called Progressives in order to keep their places.

Some few months ago the country was rather startled by the pilgrimage made to Ottawa by Mr. Crerar, who is a member of the House, accompanied by Mr. Dunning, the Premier of Saskatchewan. There has been an explanation given as to why these two gentlemen were here, but everybody knows they were here on a political mission—to see whether or not they could deliver the Progressive vote into the hands of the Government. There was no shamming about it. It was done in the open market—truckling and trading, selling place and position. The question of how many Cabinet positions they were to have was discussed, but something overturned the negotiations. The fact was that Mr. Crerar and Mr. Dunning found that they could not deliver the Progressives into the hands of the Government, so these two gentlemen had to go back without portfolios, empty-handed, and now they are starting a line of campaign to buttress the position the Government is taking in tampering with the tariff. The manner in which that is being done is political and nothing else, because the Saskatchewan Legislature, which is now in session, passed a resolution the other day asking the Dominion Government to frame a reduced tariff along the line of the principal articles to food and a carefully selected list of implements and machinery of production, and building materials, and that such should be free from customs duty as well as raw materials entering into them. Then by an amendment this was made to read:

Wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors, mining, flour and sawmill machinery and repair parts thereof; rough and partly

dressed lumber; gasoline; illuminating and lubricating fuel oils; nets, net twines, fishermen's equipments; cements and fertilizers should be free from customs duty as well as raw material entering into same.

Anyone in his sober senses can easily see why this resolution was passed. It was passed because the Saskatchewan Government had been felt out, and they were going to try to buttress the Government with the assent of the Legislature of the province of Saskatchewan to that resolution.

It is true that nothing has been said in the Speech from the Throne in regard to it, or in the speeches made so far, except the attacks upon the agricultural implement industry of this country. There may be reasons for that, but the only reason I can see to-day for the Government attacking the agricultural implement industry is that the factories in the main are situated in the province of Ontario. This onslaught upon the agricultural implement industry of this country is simply a political attack. The city of Brantford has a representative in the House, who, if he had any sense of honour, would resign his place in protest against the action of the Government if they reduce the duty on implements—why? Because during the election the present Premier visited Brantford and said there would be no reduction in the tariff on implements, and the honourable member for Brantford won his seat on the pledge that the duty on implements would stand. Now the honourable gentleman and his friends know that they cannot possibly win Brantford at the next election, so it has gone into the discard. They know that the great agricultural implement works there have been practically closed for the last year, so Brantford is to be placed in limbo.

What would the Government think if their actions affected any manufacturing interests in Toronto? They do not care a snap of the finger what happens in Toronto, because they will not have candidates in that city, and, if they do, they will be defeated, as they always have been defeated, by thousands of votes. Then go to Hamilton. Will they promote a contest there, where the International Harvester works are?

But the province of Quebec has no agricultural implement concerns, and therefore they think they are safe in Quebec so long as they confine their attack along those lines, to the province of Ontario. The boot and shoe industry will not be attacked: Sir Lomer Gouin promised that at a dinner given to the manufacturers a year or so ago. He spoke on what was to be done there. I am not advocating that that industry should not be attacked—not for a moment—or that any other industry should be attacked, because I believe that the tariff of this country should be raised in many respects in retaliation against the tariff of the United States.

What shall I say of that thriving industry, the cotton industry? Is it to be attacked? An industry making large profits and issuing new stock and giving presents to stockholders? Cotton is an article that is required by the masses of the people. No, sir, it is perfectly safe as long as it has behind it as a director in one of the largest concerns the protecting arm of a prominent Minister of this Cabinet.

Hon. Mr. DANDURAND: My honourable friend realizes, and I think he will admit, that the cotton industry had to bear two increases in the British preference, and did not wince.

Hon. Mr. BENNETT: All I can say is that I think that if my honourable friend had been sitting as a director of a large agricultural implement concern in this country, instead of a director in the cotton industry, he probably would have been able to exert such influence that the agricultural implement industry would not have been affected.

It is all in the game. It is a game of politics with this Government. I am not imputing anything wrong to the honourable gentleman. He is inspired by the motto, "Sauve qui peut"—everybody save himself. That is what this Government is trying to do.

Why does not this Government attack the woollen industry? Not that I am advocating that that should be done, for I think that that industry should be protected; but the honourable gentlemen are interested, and the province of Quebec is interested largely, in that line of goods. In my opinion, the tariff is not high enough. I agree with everything that was said by my honourable friend from De Lanaudière (Hon. Mr. Casgrain) last night, that the woollen industry should be assisted, because there have been failures, and heavy failures.

Why is not the automobile industry attacked? Are automobiles necessary? Are the limousines of the Ministers and of the wealthy people of this country necessities? What are automobiles? They are articles of pleasure in very many cases. Why do they not attack the automobile industry?

Hon. Mr. DANDURAND: My honourable friend will realize that the automobile industry has been very heavily taxed.

Hon. Mr. BENNETT: I do not know what the honourable gentleman means, unless he means heavily protected.

Hon. Mr. DANDURAND: Oh, no. I say heavily taxed.

Hon. Mr. BENNETT: The fact of the matter is that these gentlemen are to-day making a political tariff, looking out for certain ridings in Ontario which were won by certain promises made to the automobile people, and the honourable gentleman knows it. He knows also that during the last two Sessions, when the tariff was attacked, they did not dare to interfere with the tariff on automobiles to any extent, because they were thankful for the favours they had received.

Mr. Kennedy had been elected in North Essex, and was the member. The Government had won there aided by the automobile industry in the county of Kent, as they did in the county of Ontario. While honourable gentlemen properly measure up their political chances in Brantford, Hamilton and Toronto, and are sacrificing the agricultural implement interests, they are taking good care that they do not sacrifice the automobile people. I wish to be taken as saying that the agriculturists after the war should have had the tariff raised for the benefit of the agriculturists. If there is one thing about the tariff that is a crying shame, it is the fact that while the United States is smiting us in every conceivable way in regard to agricultural products, this Government is making no attempt to retaliate. If honourable gentlemen who come from the province of Ontario have any knowledge of the state of affairs there, if they read Bradstreet's and Dun-Wiman's reports and see the long list of chattel mortgages filed by farmers, they will be impelled to ask the reason why. It is, in the first place, because the home market has been affected, and, in the second place, because of unfair competition against the Canadian producer by the American farmer.

Now, what is this agricultural implement industry? The agricultural implement industry is a large one. It is stated that $100,000,000 are invested in it, and that 30,000 workers are employed in it, so that on an average of five persons to a family that means there were 150,000 people dependent on it. Well, I suppose honourable gentlemen do not mind whether the 150,000 people connected with the agricultural implement industry live in Canada or not. As far as they are concerned, they may go with the other three or four hundred thousand, and honourable gentlemen will be the gainers politically. But this industry has special claims on the Government, because during the general election Mr. Mackenzie King visited the city of Brantford and gave a specific promise that if he was returned to power no legitimate industry in Canada would suffer any injury. I take that statement from the Brantford Liberal paper. Yet only last night there was a mass meeting in the city of Brantford protesting against this Government interfering with the agricultural implement industry. If there ever was a time in the history of the agricultural implement industry when it should not be attacked, that time is now; and I will tell you why. From time to time the protective duty on agricultural implements has been decreased, until now on the major articles it is only 10 per cent. Australia, as I recollect it, has passed a high tariff against the importation into that country of agricultural implements. There was a time when there was no better market for our implement manufacturers than Australia, but now they are shut out of that market. Furthermore, our implement manufacturers had a great market in Europe. I have heard the statement made time and again that the agricultural implements exported to Europe were even greater than the local consumption. In its present distressed condition there are no buyers of agricultural implements in Europe. So why are they assailed? It is to provide political capital—that and nothing else.

Then, there is the riding of Smith's Falls. Honourable gentlemen have bid good-bye to that riding. They had a test only a few months ago in that section. I wonder whether, if Sir Lyman Jones and Senator Frost had been in this Chamber to-day—they were interested in the industry—would this change in the tariff have been made? Not at all.

Is this all part of a plan made with those gentlemen from the West? If it is a part of the plan, how much further is it going? They have thrown out in the Saskatchewan Legislature an intimation of what they expect, and when it comes down to the real tariff and the budget, what are we to have? Is the cement industry of this country to be attacked? Is the lumber industry to be attacked? Or is it confined to agricultural implements? I for one say that this is nothing more or less than political trucking and trading with the Progressives, in order to secure their support, and had it not been for that, and had the Government been independent in the House, this policy would never have been heard of.

Then, the Government take great credit for what they claim has been done in connection with the Government Railways during the past year. All I have to say to that is that no person will congratulate the Government more warmly and more heartily than I when

they are deserving of congratulation, but I think there would have been much greater success if the Government had not interfered last year with the railway interests. The great grain crop of the Northwest added very materially to the profits made by the Government railways; and I think every person is in accord with the policy pursued by the Management in the main. We all hope and trust that business will be better in the coming year than it was last year; but this Government is actually militating against the chances of that railway doing a much larger business than at present. I will endeavour to prove that. For years past the cry has been that we were not carrying as we should the bulk of the grain from the Canadian Northwest; that it was being diverted to channels other than Canadian, that a large portion of the crop was going by way of Buffalo. The figures this year show that of the output of the West there have been carried to Buffalo about 117,000,000 bushels, while through Canadian channels there have been carried only 107,000,000. Why was that? The principal reason was that arbitary rates were being charged upon the Great Lakes, much higher than should have been charged, and this Government stood by and permitted these excessive charges in defiance of a statute that they themselves had passed. The House will remember that last year a commission was appointed, and thousands of dollars were expended upon its inquiry into certain grievances of shippers from the Northwest, and then there was enacted a measure which was cheerfully supported by this House. I was delighted to see it passed. It provided that any persons or transportation companies carrying grain at high rates should be tried before a board. But this Government stood aside and allowed vesselmen to charge what they pleased. The result was that in the spring of the year, and during the summer, grain was carried on the Great Lakes, in open defiance of the law, at rates nearly twice as high as had been charged before. What has the Government to say to that? Furthermore, while high rates were charged for the carrying of grain from Fort William to Lake Huron and Georgian Bay, the rate charged from Duluth to Buffalo was 2½ cents a bushel and the rate from Port Arthur to Buffalo 4¾ cents. Now, I ask the Minister to answer me this question: does he think it was right, when American vessels from Duluth to Buffalo were charging 2½ cents a bushel, that Canadiain vessels—or American vessels either—should charge 4¾ cents from Port Arthur to Buffalo? The Government should have enforced the law. Why were the Canadian vessels charging almost twice as much for the same distance?

Hon. Mr. DANDURAND: In what month was that?

Hon. Mr. BENNETT: I refer to the 19th of September. These are the quotations for that date.

Hon. Mr. DANDURAND: 1923?

Hon. Mr. BENNETT: Yes, 1923. On the 27th of September, 1923, the quotations given were: Duluth to Port Colborne, 3 cents; Fort William to Buffalo, 5½ cents. Why was the Canadian shipper being mulcted by 2½ cents a bushel? September 13th—Fort William to Buffalo, 5½ cents; Duluth to Buffalo, 3 cents a bushel.

Hon. Mr. DANDURAND: Has my honourable friend the rates from Duluth or Port Arthur to Georgian Bay ports?

Hon. Mr. BENNETT: I may have some of those. However, the rates to the Georgian Bay ports should have been much less, because a vessel could make three trips to Georgian Bay ports as against two by other routes. But here is the most striking feature. The trade between Fort William and the lake ports is restricted to Canadian vessels. American vessels could not ply in that trade, otherwise they would be contravening the coasting laws. Yet Canadian vessel men were allowed, in defiance of the law, to charge 5 or 6 cents a bushel. Mark you, the rates always increase as the season approaches late November, yet from Fort William to Buffalo the rate was 4 cents a bushel, and wheat was being stored for the winter in the vessels. This Government stand idly by and see the hard-pressed farmer of the West obliged to pay a rate considerably higher in the spring and early summer. Why did the Government allow that? Because they were afraid to enforce the law that they had placed on the Statute Book. Had it not been for their failure in this respect, a vastly increased quantity of grain, I believe, would have gone through the Georgian Bay ports. That was a matter of importance. It is all very well for honourable gentlemen to give as a reason for not enforcing the law that American vessels could not be had. There were American vessels in the trade, but it was not fair to expect, when the law was allowed to remain in abeyance instead of being enforced as a lever to bring down rates, to do otherwise than accept the rates that were offering. Had they gone over to the United States, they could not have got as much, owing to the competition there. That is one reason why more grain was not shipped last year by

Georgian Bay ports. We were pleased that about 40,000,000 bushels of grain passed through the Midland elevators; there was no lack of cars and we might as well have had 60,000,000 bushels. Grain was carried to Buffalo because it could be carried there at cheaper rates than to points on the upper lakes. This question of grain-handling concerns not only the portion of the country in which I live; it concerns also the farmers of the Northwest. If the farmers of the Northwest were in such a desirable position that they need not care what are the rates by lake or rail, it would be all very well, but such is not at all the condition of the farmer of the Northwest.

I am aware that any person who rises in this House or in another place and calls attention to the depression that prevails in this country, even if he points out how it may be corrected, is going to be subjected to the cry of "blue ruin." Well, there is no good crying "peace, peace," when there is no peace; and there will be no peace in this country until those rates are rectified. This Government will not rectify them if by doing so they would interfere with the plans of their friends. The honourable gentleman (Hon. Mr. Dandurand) surely knows as well as he sits there that the protection afforded to those vessel men in Canada last spring was exerted by the Government through the mighty influences of the Canada Steamships Company, whose creatures they are to a certain extent.

Hon. Mr. DANDURAND: Did we not legislate against them last Session?

Hon. Mr. BENNETT: Certainly, you legislated against them; and there is my complaint: after placing the law on the Statute Book you failed to carry it out.

Hon. Mr. DANDURAND: Were not the rates reduced by 50 per cent between 1923 and last autumn?

Hon. Mr. BENNETT: Not at all. They were increased, and I demonstrated that to the honourable gentleman by the figures I gave—and I will stand by the figures—showing that they could have had the grain carried much more cheaply. The Canada Steamships Company is a great corporation. My honourable friend from De Lanaudière (Hon Mr. Casgrain) is a director of that company. It has great influence. It could raise many troubles in the Province of Quebec. Many party friends are stockholders, large stockholders, in that company. That company wields a mighty influence, and this is the result.

Hon. Mr. DANDURAND: It did not seem to have much influence when it was opposing our legislation last year.

Hon. Mr. BENNETT: It did not worry much about your legislation, because it knew very well that even if the law was placed on the Statute Book, the moment it saw it was going to militate against the company it would never be put into force.

Hon. Mr. MURPHY: And it was not.

Hon. Mr. BENNETT: The company saw immediately it was not being enforced.

Hon. Mr. DANDURAND: My honourable friend knows that it is not the reason. He knows the difficulty we had in imposing our legislation on American boats.

Hon. Mr. BENNETT: As for that, so long as your legislation applied in the summer time, when there was no grain transported, it had no effect on the American boats; but in the fall of the year, when the grain was largely carried, while American owners argued for the removal of certain clauses or restrictions, they were falling over each other to come in and carry that grain, on account of the high rate that prevailed on this side; because they had finished with the carrying of ore in the States, and there was not a large export of grain on the American side. That is the reason why late in the season, at the end of November, grain was carried to Buffalo for 4 cents a bushel, to be stored there all winter.

The question of the transportation of grain is a matter of great concern to the people of the Northwest. A grain inquiry has been in progress for some months past. From that inquiry what do we find? One of the most startling points is an abuse, which last year I alleged existed, and the existence of which I proved, I think, satisfactorily, namely, that it was the main endeavour of dishonest grain operators to have their grain taken through the United States, in order that they might mix it there. A report now appears in the public press, and I will quote one short clause from it. Before this investigating commission:

> The witnesses said they found the standard samples sent over to the United Kingdom comparing well with the Canadian grain received there, and many large buyers and millers complimented in every way the Canadian grades and qualities. They had, however, found some serious complaints of Canadian wheat being mixed and degraded while passing through the United States.

I compliment the Government on having that fact brought out in the inquiry, for if we are to maintain the high reputation that Canada has enjoyed for its wheat, it must be

placed on the British market unadulterated, and not with a mixture of soft American wheat; and experience proves that while wheat is passing through the Buffalo elevators it is tampered with Let us stop the possibility of any trouble. Why should not the Government devote its efforts to concentrating shipments of all Canadian grain, or the greater portion of it, through Canadian channels? The Government have expended millions of dollars in Montreal to handle grain. They have three distinct lines of railway from the upper lakes to Montreal. The Government have millions of dollars worth of rolling stock. I am glad to be able to say that last year I supported in this House a recommendation asking the Government to consider the question of erecting additional elevator accommodation at the town of Midland, where I live. That policy was carried out, and the result was that, the National railways carried 40,000,000 bushels of grain to that port. All that is required there is further elevator accommodation. There is another Government elevator, with all the motive power, but with accommodation for only about 1,000,000 bushels, and I would recommend to the Government that Sir Henry Thornton and the Railway Board should be urged to increase the elevator accommodation there. One of the important results would be to prevent to a great extent the carrying of grain through Buffalo. It is a matter of importance to the farmers of the Northwest, and it is to their interest that the possibility of tampering with Canadian grain should be removed. I hope therefore that the honourable Minister will commend to his colleagues the proposition to increase the elevator accommodation at Midland.

Hon. Mr. McMEANS: Grain shipped by way of Hudson Bay.

Hon. Mr. BENNETT: My honourable friend suggests that it may go by Hudson Bay. Well, I may tell him that this Government may find, after they have made agricultural implements free, that if the Progressives in the House of Commons go on strike they will make the Liberals vote for the completion of the Hudson Bay Railway, because it has been announced already that they are going to get the benefit of another $10,000,000 in decreased rates in the West.

The question of branch lines of railways has been raised in this House, and I intend making a few remarks upon it. I voted last year against the programme which was laid down by the Government, and if at this Session they bring down a Bill containing such objectionable terms as the Bill of last Session, I will vote against it, but, like other honourable gentlemen on this side of the House who have announced their intention, I will support any single proposition that commends itself. It has been pointed out to me that among the proposals included in the measure presented last year was one for the building of a railway in the Peace River district. I happen to know some people who have gone from my part of the country into that district, and I have heard from them at first hand of the difficulties under which they labour. The Peace River, I understand, is a splendid part of the great Northwest. Not only is it particularly suitable for grain growing, but it also affords advantages for cattle raising to a great extent, and it will gain further advantages if the transit of grain from that part of the country to the Pacific is developed. I think it is an outrage that the people of the Peace River country have not yet had the railway built. I understand that the mileage is about 200 miles.

Hon. Mr. DANDURAND: Not quite.

Hon. Mr. BENNETT: What does the honourable gentleman say?

Hon. Mr. DANDURAND: It is 154 miles.

Hon. Mr. BENNETT: All the better if it is less than 200. I understand that it was approximately 200 miles. That line should be built by the Government, and in my opinion they should bring down a Bill to provide for it at the earliest possible moment. There is an additional reason for the construction of that line: it would pass one of the best anthracite coal regions in the country.

Hon. Mr. MURPHY: The Hoppe mines.

Hon. Mr. BENNETT: The Hoppe mines. That is another reason for constructing the line. The farmers in that part of the country, according to what I understand, have in the past suffered severe depression, but if the line were constructed, with the amount of timber existing in that section, they could when not engaged in farming devote their time to the production of ties, telegraph poles, and that sort of thing.

Hon. Mr. MURPHY: And pulpwood.

Hon. Mr. BENNETT: They would have then the short route to the Pacific, of which advantage is now taken by the farmers of Alberta. The Government should devote itself to taking as much Canadian grain as possible from Buffalo. The country has an extensive system of railways and elevators on which there has been an enormous expenditure. It is therefore necessary to develop the

trade by Canadian routes. The shipments by way of Vancouver are increasing. I am glad to see that Vancouver took this year about 50,000,000 bushels of grain. We should devote ourselves to taking more Canadian grain away from Buffalo to ship by Eastern Canadian ports than we have done in the past. I am told that the rate on wheat to Fort William is to-day 27 cents a bushel from Peace River, and if a railway were built into that district wheat could be shipped from there by way of Vancouver at approximately 10 cents. The cattle trade in that region could also be increased. Some doleful stories have come from that part of the country, to the effect that from 10,000 to 15,000 people have left it owing to lack of railway facilities. If this Government fails to bring down a Bill to vote the money for the construction of that line, I think they will deserve the censure of this House. And I for one am prepared to support the building of that line, having heard something about its merits and believing that it should be constructed.

I had some hopes of my honourable friend—the leader of this House. Personally I like him very much. I have always looked upon him as a member of the old school, and I thought he had some of the Liberalism of the old times that Sir Richard Cartwright and others had, which set principle first and place after—men who said, "We will stand by the ship and go down with colours flying." Cannot the honourable gentleman get some of those sentiments instilled into the other members of the Government? They are in the minority in this country, and are outraging the decencies of responsible government by holding office while in a minority. My honourable friend is part of an organization that is holding to power in this country against the will of the people; and, worse than that, it is not giving the people a chance to express themselves. I say open constituencies and give the people an opportunity. The honourgentlemen says they have opened constituencies in the province of Quebec. Well, I think they had better be careful about what they do. It is true that they selected Richelieu and re-elected a gentleman, a friend of mine, who had the prestige of being a Cabinet Minister. But the honourable gentleman knows that right in the province of Quebec there is a sighing in the mulberry trees that the Government is afraid to trust the people. It is a good principle to trust the people. When the party leaders introduced reciprocity, they said: "It is going to make a wonderful change; we will trust the people in an election." I say to honourable gentlemen, why do you not trust the people now in an election? The country is in distress; the only people who have any confidence in the Government are the members of the Government themselves.

Hon. Mr. DANDURAND: Who is asking for an election?

Hon. Mr. BENNETT: The people are.

Hon. Mr. DANDURAND: I have not heard that from the West.

Hon. Mr. BENNETT: And the honourable gentleman does not want to hear it from the West. Let us engage in a contest on the merits of the case.

There is one beautiful clause in this bill of fare that appeals to me. It says:

> National unity, not less than national prosperity, depends upon the surmounting of those barriers which have tended to separate Western from Eastern Canada and to discourage permanent settlement upon the land.

National unity—that is what the country wants; and not simply between the East and the West, but all over the country, and the honourable gentleman should be one of the first to endeavour to build up national unity in this country instead of saying, "We will attack the manufacturers in the province of Ontario," as they have been attacked. National unity will not be brought about by raising these cries. There are times in one's life when one should be glad and rejoice, and I was very much entertained by reading a newspaper report a while ago which gave an account of a very jovial occasion in the city of Montreal. The honourable gentleman was present. Talk about national unity. My honourable friend was not there to promote national unity—not for one monent. True, he and his friends were suffering at the time from political reverses. They had heard the sad news of Halifax, and had suffered the anguish of knowing that they had been defeated in a French Canadian constituency in New Brunswick.

Hon. Mr. MURPHY: That is Acadian.

Hon. Mr. BENNETT: And that is French Canadian. They were all making merry, and there was only one fly in the ointment, and that was the annoyance of my honourable friend at something that had happened in the province of Quebec. What was it? The leader of the Opposition had been down there making a series of speeches; he had visited Sherbrooke and other industrial centers. Apparently he was making an impression on the people, and the honourable gentleman opposite, smarting under the reverses in Halifax and Kent, and fearful that the province of Quebec might be inoculated, gave vent to his feelings as follows:

For some weeks Mr. Meighen has let his voice be heard in the province of Quebec. This is his right, and it is our duty to listen to him. Mr. Meighen's chief complaint has been that the people of the province of Quebec seem to be against him personally. He asked why. He looks for reasons for this general militancy, and he attributes it to the Conscription Act. He is wrong. It may be one of the grave reasons, but there are others. I refer to his greatest sin; the one which will always be held against him by the people of the Dominion of Canada, the passing of the War Elections Act.

Senator Dandurand declared that he could not conceive of a measure more wrong, dishonest, perfidious, and evil for the country. He charges the former Government with allowing 28 voting offices to be opened in the United States for English soldiers who had served in the Canadian Army but who had never been in Canada. Votes were manipulated, he said, and distributed to suit the purposes of the Government. They were even manufactured, and it was for this reason that Mr. Meighen received his just punishment in 1921, when Quebec, Nova Scotia and Prince Edward Island went solid Liberal.

Hon. Mr. DANDURAND: And I gave the other reason—the defeat of reciprocity for the West.

Hon. Mr. BENNETT: The defeat of reciprocity in the West will never be a question when an election is on in the province of Quebec; that will be dead, but it will be cries like this.

Now, I ask the honourable gentleman whether the statement is true that 28 polling places had been opened up in the United States where men from England who had never seen Canada voted.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BENNETT: I challenge the honourable gentleman to mention where there was one.

Hon. Mr. DANDURAND: I wrote to the electoral officer for this country, Colonel Biggar, and asked him how many polls had been opened for the taking of votes for people who had never set their foot in Canada, and he gave me 28.

Hon. Mr. BENNETT: Where were they situated?

Hon. Mr. DANDURAND: Throughout various camps in the United States, where soldiers from England were being recruited for the Canadian army.

Hon. Mr. BENNETT: I was astounded when I read that statement, and I made inquiries and found out differently. I was astounded to think that the honourable gentleman would make such a statement and let it go out and inflame passions and prejudices in this country. That was the object of it. The honourable gentleman could have found out that, with the approach of winter in 1918, I think it was, 5,000 young men were sent down from the province of Ontario to Texas to train for the Flying Corps, and they were the ones who voted there. Now, will the honourable gentleman be good enough to publish through the province of Quebec a retraction of his statement? They were not English soldiers who had never seen Canada. I can give him names.

Hon. Mr. DANDURAND: My honourable friend can give me those names, but I can give him others.

Hon. Mr. BENNETT: And the honourable gentleman still alleges that they had never seen Canada?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BENNETT: Where did they come from?

Hon. Mr. DANDURAND: They came from Great Britain and were recruited under the Conscription Act of Great Britain. They were obliged to return to Great Britain, but they were enlisted under the Canadian flag, and because of that they were given a right under the War-time Elections Act to vote in Canada and to switch their votes wherever they pleased.

Hon. Mr. BENNETT: I want to tell the honourable gentleman that these men were young Canadians who had enlisted in the Flying Corps. Had they not a right to vote? Of course they had. They could not train in Ontario in the winter months, and they were taken down to Texas. The next time the honourable gentleman wants to make a statement in the province of Quebec with the object of inflaming public opinion against Mr. Meighen or anyone else, he should look well to his facts. What was the occasion? It was a jovial occasion. What was the use of introducing this attack upon Mr. Meighen?

Hon. Mr. MURPHY: What was the motive?

Hon. Mr. BENNETT: What was the motive? There was no motive except that the honourable gentleman knew that his party was slipping in the province of Quebec as it had slipped in Nova Scotia and New Brunswick.

Hon. Mr. DANDURAND: My honourable friend is mistaken. I said Mr. Meighen contributed to the solid vote by the thousand—a thing never before heard of in Canada—ten, fifteen, twenty thousand majority. I said that conscription was a matter that might be debatable, but that what the pro-

vince of Quebec and the other provinces objected to was that an election should be stolen by legalized robbery such as the War-times Elections Act.

Hon. Mr. BENNETT. The honourable gentleman says the Dominion election in 1917 was stolen?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BENNETT: Well, the honourable gentleman sat here, and his friends were here, and he had friends in the House of Commons. Why did they not have an inquiry about it? It is all very well to go down to Quebec and do as he did, but I am surprised that he did it. The bell-wether has to lead.

Honourable gentlemen are terrified to think of what is going to happen in the province of Quebec, and my honourable friend knows that this is the only reason for this truck and trade with the Progressives. We have seen what went on last year. Last year you purchased in cold blood two members of the Progressive party, and walked them across the floor. They took one man from a riding adjoining my own, Muskoka, a man who is almost ashamed to show his face in the riding to-day to the Progressives. Honourable gentlemen are afraid to trust the people, but if ever there was a time in the history of Canada when there should be an election, that time is the present, when the Government of the day is actually in a minority in the House.

Hon. Mr. DANDURAND: Will my honourable friend permit me a question? Could this Parliament be dissolved before the Redistribution Bill is passed?

Hon. Mr. BENNETT: Very well, bring on your Redistribution Bill, and pass it. But I want to serve notice on the honourable gentleman that if a Redistribution Bill is brought into this House, and if the plan formulated by the Government last year for the province of Ontario is contemplated, even if it goes through the House of Commons, it will not go through here with my voice and my vote. Your party is endeavouring to do what has never been attempted before according to the plan placed before the Committee—actually to cut up a city into halves in order that you may have a party advantage. If the honourable gentleman thinks he is going to get a Bill of that kind through the House, he is badly mistaken.

Hon. Mr. DANDURAND: It will be no gerrymander.

Hon. Mr. BENNETT: If the honourable gentleman does not call that a gerrymander, to split up the city of Windsor—

Hon. Mr. DANDURAND: We will see the Bill when it comes.

Hon. Mr. BENNETT: Your plans were laid before the Committee last year. I saw them myself through a member of the Committee. Bring on your Bill and then let the people have a chance to determine once and for all whether Parliament is to be governed by the majority or whether the whole fabric of the constitution is to be subordinated to the truckling and trading and twisting of politicians who prefer place rather than the performance of the decencies of political life.

Hon. O. TURGEON: Honourable gentlemen, I had made up my mind at the beginning of this debate to remain silent; but the remarks made by some of the honourable gentlemen who have participated in the debate have impressed upon me the necessity of directing a few remarks to some of the topics in which I am particularly concerned.

At the outset I wish to follow the excellent custom of extending my congratulations to the mover and the seconder of the Address on this occasion. For a score of years I was associated in the other House with the mover of the Address, and it was nothing new to me to listen to his impressive eloquence, which was only a repetition of many of those worthy addresses which it had been my lot and privilege to hear from him in that House. I must say that I was most pleased to hear the remarks made by the honourable the new Senator (Hon. Mr. Côté), who comes from that far-away province of Alberta, in giving us an outline of the past history of that province, together with a description of its hopes for the future I was more than pleased to hear him speak in the beautiful French language, which was an assurance to me that the French-Canadians who are now inhabiting the province of Alberta, while they have doubtlessly adopted the English language, have also retained the ability to appreciate the charms of and to express themselves in the French language.

I wish to congratulate His Excellency the Governor General and his advisers upon the Speech from the Throne, which is an inspiration to every Canadian to rise to a loftier plane than the one on which he has been dwelling since the war. It raises us to a greater contemplation, not of the past but of the future, and of the resources and possibili-

ties of our country, a future which is certainly a most hopeful one. If we have not found ourselves as happy as we had hoped during the past years, let us contemplate the people of other nations—even of the United States, where, unfortunately, our children are going in too great numbers at present—and remember that in future they will be no more happy than the Canadian people who remained in our own country, when we give the right impetus to the development of the many resources and industries of this land, which are sufficient to support for centuries to come a population of hundreds of millions, but different measures have to be taken.

I do not agree with the policy advocated by certain honourable gentlemen, whose education and environment have been different from mine for the development and happiness of this country. I am not blaming those who are sincere protectionists and believe that by a high tariff alone can the people of Canada be made happy and prosperous. As you are aware, my training and my convictions are along the line of freedom of trade being exercised in every practicable way. In the last few years it has been practically impossible to give much impetus to free trade, but the time has now arrived when it is possible for the Government to do something in this respect. I admire the wisdom of the Government in announcing to the country, in the Speech from the Throne, its intention to provide for greater freedom of trade and greater development of the natural resources of the country —not by eliminating entirely, but by reducing as much as possible the duties on the implements of production, whether for the farmer, the fisherman, or the miner. To-day implements required by the miner are costly and the duties imposed are almost prohibitive. This policy will give encouragement to the industries engaged in production. The farmers of Canada—not only the grain growers and others in the prairie provinces, but our farmers in the East, and those in British Columbia as well, require every inducement possible if they are to remain on the farms and keep their sons and daughters there. The increase of our population engaged in production creates better markets for manufacturing and other industries in the cities. The manufacturers will improve their position, not so much by concentrating attention upon large profits on perhaps small output, as by the development of their business through the increase of rural population and the more prosperous condition of the farmer. It is better for the manufacturer to make, say, $1,000 less profit on one article, and at the same time increase their total profit by increased production and trade. Meanwhile the announcement of the intention to reduce the cost of implements of production will commend itself to all producers in the country.

There are other pronouncements in the Speech from the Throne which will certainly commend themselves to the aspirations of the Canadian people. I observe two lines which are very gratifying to me:

> Every effort will be made still further to develop the policy of Canadian trade via Canadian ports.

I notice also that a measure is to be again introduced for the building of branch lines of the Canadian National Railways. It was with much regret that I saw the Bill of last Session defeated. I have no desire to criticize the motives of those who voted against the measure, but in my judgment this branch of Parliament ought to have taken the same attitude as the House of Commons, in the interest of the country at large and of the Canadian National railways themselves. It has previously been stated, and the statement is repeated to-day, that we have too many railroads in this country. That is one of the arguments advanced not only by the Conservative members of Parliament, but also by some Liberal members on this side of the House. It has been stated that three transcontinental lines were sufficient and that, as economy was necessary, we ought not to add to those lines. It must be remembered that we have, under the management of the Canadian National Railway Board, two lines from the Atlantic to the Pacific coast, and those transcontinental lines must be properly fed if the system is to prosper and if they are to meet the necessary expenditure. They must encourage as much trade as possible, and the necessary sources of increased business for our railways are to be found only in those districts far away from the trunk lines. The purpose of constructing the proposed branch lines is to bring to the main lines the products of those different outlying districts. Without these the main lines cannot be operated at a profit, or even without loss.

It was only a few weeks before the Branch Lines Bill was brought down that this branch of Parliament had sanctioned several Bills presented on behalf of the Canadian Pacific Railway by honourable gentlemen who have great admiration for that system. Indeed, I admire it myself, and it has won the admiration of the people at large. The Canadian Pacific had asked Parliament for three-year charters to permit it to build branch lines which were necessary for the development of business on its lines. If we have such con-

fidence in the administration of the Canadian Pacific railway—and I share this confidence with all other Canadians—if we are desirous for its success, why should we not have similar confidence in another board, responsible for the management of an even larger mileage than that of the Canadian Pacific—for 22,000 miles of railway, extending from one coast to the other? The same principle is involved. The Canadian National Board asked to be allowed to build certain branch lines during the course of three years. The Board of Management are agreed upon the desirability of constructing these branch lines, which they consider to be of advantage to the road, as well as to the populations which these proposed lines would serve. Why should we hesitate to comply with the wishes of the Board of the Canadian National railways, when we have acceded to the request of the Canadian Pacific railway? No objection was made in the Committee or in this House to the charters asked for by the Canadian Pacific, but when there came a similar request, with a similar purpose and equal hope of success, from the Canadian National railways, the property of the Canadian people, we considered that the request was not in proper form.

I for one have been in a position to judge of the necessity for the most of those branch lines. Travelling in the West during the past summer, I heard convincing arguments to prove the necessity and advantage of those proposed lines. I hope, therefore, that when the Bill comes again before Parliament, as announced in the Speech from the Throne, it will receive the favourable consideration of this branch of the Parliament.

The Directors of the Canadian Pacific railway are deserving of confidence, but have we not also on the Board of the Canadian National railways, belonging to the people, men deserving of respect and confidence? The record of Sir Henry Thornton, in the United States, In England, and as manager of our National Railways, is certainly one of which any man might be proud, and it certainly inspires the respect and confidence of every Canadian. Therefore, when the Canadian National Board, in the same manner as the Canadian Pacific, ask for a three-year charter to construct branch lines, their request ought to be granted. I for one believe it is more businesslike and more advantageous for the railway to have a period of three years in which to provide a certain mileage than to have only one year. If we voted a certain amount of money each year, there would remain only a few months in which the construction work might be proceeded with. When winter approached the construction would have to cease. Next year again we would have to vote another sum. The railway management cannot arrange their work so well when it must be done within one year as when they have three years ahead and can undertake the work that is most pressing, or most opportune, allowing the rest to stand for a year or two, distributing the work, as does the Canadian Pacific, so as to complete it in the course of three years.

The honourable gentleman who has just preceded me mentioned one particular railroad, and, while I do not agree with his general attitude on the branch lines, I must say that I agree with what he has stated in this case. I was pleased to hear him express the hope that the Peace River district, in Northern Alberta and in British Columbia, would be granted the extension of railway for which it has asked, in order that the people there may connect with the Transcontinental to Vancouver, Prince Rupert and other parts of British Columbia. The Pacific coast provides the only outlets for their products, and they cannot reach it with advantage until there is a branch line connecting the Peace River country with the main line of the Canadian National. The Peace River is one of the most promising districts in Canada, not only in regard to its wheat production, but also in regard to other agricultural products and its forest resources. I appreciate the remarks of the honourable gentleman from Simcoe Hon. Mr. Bennett), and would call the attention of this honourable House and of the Government to the advisability of granting the request.

It is certainly necessary to economize in every possible way. The Speech from the Throne promises that economy will be practised in Government administration. I agree with my right honourable friend from Ottawa (Right Hon. Sir George E. Foster) in what he stated yesterday as to the need for economy. He knows that if I do not always agree with him in his aspirations and his principles, yet I always admire him in every other way. It may be said that we have agreed to disagree once in a while. There must be economy in every respect, but, as the great French statesman Richelieu once said to Louis XIV, "L'économie ne consiste pas seulement à dépenser peu, mais à dépenser a propos"—economy does not consist only in spending little, but in spending judiciously. I believe that it is economy, with future success in view, to spend money on those branch lines, in order that the splendid results which the Board

of the Canadian National railways has produced for the country may be continued. We have been able in the course of less than two years to convert a deficit of millions of dollars into a surplus of millions on operation. The efficiency of the Board is recognized by no less a person than the ex-Minister of Labour, who yesterday, or the day before, expressed his appreciation of the administration of the Canadian National railways. From my part, I have always expected that the Canadian National railways could be operated under Government ownership, or by a Board under Government control, or the people's control, as well as by a private company. I am aware that there are many people who yet fail to realize this, but it has been proven during the past year by facts and figures that it can be done, and with profit to the people of Canada. It is often said that if any railways are operated by the Government, they must all be placed under Government operation. I do not agree with that doctrine. I believe it is much better to have one system under Government control and another operated by a private company. This will mean a rivalry between the two companies; whereas if there were only private companies there might be an arrangement between them to raise rates and otherwise increase their revenue, and there would be less satisfaction to the people. On the other hand, if there were only national railways under Government ownership we might be apt to say that the Government neglected them, or used them for other purposes than in the interest of trade and for the benefit of the people.

I am pleased to know that every effort will be made still further to develop and increase the volume of Canadian trade through Canadian ports. It has always been my ambition some day to see the products of this country, from whatever part they may come, exported through Canadian ports. With that object in view the late Sir Wilfrid Laurier and his Minister of Finance at the time, the Hon. W. S. Fielding—whose absence from the House is deeply regretted not only by every member of Parliament but by every Canadian—when they were building the Transcontinental railway, said that when the road was completed they would make provision to extend the British preference only to importations through Canadian ports. That was a patriotic measure, and at this time it would be a great advantage to Canada, and more particularly to the railroads.

We in this country have been given by Providence a heritage which perhaps we do not sufficiently appreciate. We have an immense country extending for some four thousand miles from one ocean to another. We have ports inviting all possible trade from other nations. These ports have been placed by the hand of Providence in such a way as to facilitate the traffic of the country; but up to date we have not made a sufficient effort to direct our trade through them. And when I speak of Canadian ports, I do not mean only the port of St. John or the port of Halifax. I live many miles from St. John, and many more from Halifax. I refer to our national ports. Their prosperity means the prosperity of the country, and when I ask for the transfer of our trade to those ports I do not ask it merely because it will give work and be of benefit to the people of those towns and cities.

If, instead of letting 60 or 65 per cent of our grain trade from the West take the route to Minneapolis or Chicago, or from Port Arthur to Buffalo and thence to New York, Philadelphia and Boston, we directed all that trade through our Atlantic ports or the ports of the West which we have to-day, what a tremendous benefit it would be to the country at large. By keeping our exports from the American railroads all the money that is now paid by the farmer of the West for freights from Minneapolis to Buffalo would go into the hands of our own people, and they would be given more employment, not only in St. John and Halifax, but all along the line of the railroad in Manitoba, northern Ontario and the province of Quebec as well. This is not only a principle, but a patriotic virtue which should animate every Canadian.

No nation has been more devoted to her interests than the nation to the south of us, and I am only asking that we should imitate that nation for the benefit of Canada; and I trust that this paragraph will bring about the accomplishment of my hopes for many years, namely, that the products of Canada for export will go through Canadian ports.

The Pacific coast has a tremendous future before it. I admire the people there for their activity and energy in having succeeded in the course of a short time in bringing the products of Alberta and other parts of the West to their ports, which are open for twelve months in the year. They have, as I say, an immense future before them, and I wish them prosperity, as I wish prosperity to the eastern provinces.

It is Canadianism that we want in this country. We are not all of the East nor of the West. We are all of Canada. The great resources of this country in every direction, whether in the forests, in the lakes or in the ground, command the attention of the people of Canada, and the prosperity of one part of the country adds to the prosperity of all.

Nobody believes more firmly than I do, and have done at all times, in the prosperity of the prairie provinces. They are the feeders not only of the railroads, but of the trade of the West and of the East. When we say we will decrease the protection upon farm implements for the people of those provinces, we do so in the interests of all Canada—in the interests of the manufacturers themselves, who will produce more and sell more to the people of Canada. It will be an inspiration to the farmer to know that the manufacturer sends him these implements at the lowest possible cost. It has often been said by the farmer in the West, and with some truthfulness: "When I buy my implements from an American concern I give $200 to the coffers of Canada; but if I buy from the Canadian manufacturer I put that amount into his own private treasury." It is only when the farmer sees that the purchase of Canadian goods is to his detriment that he will buy foreign goods; otherwise he will say, whether he be in New Brunswick or in Ontario or in the West: "Let us buy of our own people."

Meanwhile, if we teach our sons and daughters to produce we will have a greater population, and our home market will be more profitable to our home industries, and will increase from year to year. It would be all very well to say that we make a big profit on shoes if the labourer in a shoe factory wanted nothing but shoes; but when he goes home and he finds he has to buy other things for himself and his family: he has to buy furniture and other products for his house: therefore it is only by the extension of these reductions on the necessities of life that the manufacturer can possibly succeed. For this reason I say that this Speech from the Throne has set the people of Canada thinking, and has instilled in them a spirit of utility.

My honourable friend who has just preceded me (Hon. Mr. Bennett), to whom I have listened with interest for a number of years, has given me inspiration in the few words he has pronounced concerning the election in Kent county in the province of New Brunswick from which I come. Yesterday and the day before, we heard the Liberal party and Sir Wilfrid Laurier blamed for having built the Transcontinental railroad, a road that cost so much, and that was idle and of no benefit, as it was said at the time. I am in a position to say that if some of the Ministers of the Government went to the election of Kent in the month of December last and came out unsuccessfully in the contest, it was due to the very fact that the Transcontinental had not yet been used to its full capacity by the Board of the Canadian National railways—although we could not expect that they would be able to do everything within such a short time. It was just because a leading representative of the Conservative party, the first lieutenant, perhaps I might say, of the right honourable the leader of the Opposition, the member for St. John, went to the county of Kent and appealed to the electors and induced them to have the vision which Sir Wilfrid Laurier had when he built the road 20 years ago in the interest not only of Quebec, Ontario and the West, but more particularly of St. John and Halifax. I am glad that some of the opponents of the Transcontinental railway have at last commenced to see the light, and are beginning to confess that when Sir Wilfrid Laurier built that road he had perhaps a greater vision of the future of Canada than any other man in this country.

I say this road is bound to become one of the great factors in the prosperity of Canada, and when I read the Speech from the Throne I took new hope. I well know that Sir Henry Thornton and his colleagues were not able to bring prosperity at once to that road. I had the honour to address Sir Henry Thornton in the city of Moncton at a large meeting of the Board of Trade, and I told him he had a task which would command all his attention, that marvels were expected of him, and that marvels alone would save the name and fame that he had acquired in other countries. At the same time I told him that the people of Canada were willing to give him time to accomplish those marvels; and I believe that what was said in this House yesterday and the day before is an expression of confidence in his administration so far, and that as time permits him to develop the trade of that road the people of the eastern provinces will be as well satisfied as those in other portions.

A great deal has been said about grain being concentrated at Portland instead of at St. John. That is no fault of mine. When the Bill for the acquisition of the Grand Trunk railway was before the other Chamber I endeavoured to the best of my ability to show that there was no necessity for acquiring that portion of the Grand Trunk between the border and Portland, and I contended that we could settle with the company. I put the Minister of Railways on his guard at that time against the operation of that line from Montreal to Portland. I told him, "If you once divert the trade through that channel it will continue to go that way." The lieutenants of the Conservative party who came to Kent county put all the responsibility for that

upon the Liberal party, and I wish to have that impression rectified, not only before the people of Kent and the Maritime provinces, but before the whole people of Canada. Meanwhile I do not care so much if some grain goes to Portland, so long as every possible effort is made to divert to Canadian channels the trade now going to New York, Philadelphia and Boston which as I said, takes half the money paid for transportation from the Canadian purse and puts it into American treasuries. If shipments were made by the Transcontinental from Winnipeg to Quebec in summer, and to St. John and Halifax in winter, we would not interfere much with Portland, and the country would be satisfied. It is upon the maintenance of that trade within Canada, at Canadian ports, that I particularly insist. It may be said that St. John is so far away —much farther away from Portland than Montreal is but it is not by way of Montreal that I wish to see the grain and other products exported from the West, or imported goods shipped to the West, in winter. That trade, I think, should go through St. John and Quebec, over the Transcontinental. Any railroad man will agree that a trainload of grain can be taken in winter from Winnipeg to Quebec, over the Quebec bridge, and to St. John, as cheaply as the Canadian Pacific Railway can possibly carry grain from Winnipeg to Montreal and thence to St. John, as they do carry from 15,000,000 to 20,000,000 bushels every winter; because by the time the Canadian Pacific train of 25 or 30 cars of grain, or 40 at the most, has reached Montreal, the Canadian National train which has left Winnipeg at the same time, has already passed through Quebec, crossed to Levis, and is beyond Riviere du Loup. I say that the Canadian National can take that grain and deliver it in St. John or Halifax at greater profit than the Canadian Pacific is able to make upon its road; not only because of the reduction of 240 miles by the Transcontinental from Winnipeg to Quebec or St. John, but also because the same engine can haul on the Transcontinental double the tonnage that can be hauled on the Canadian Pacific. With the rapidity of transit as well as economy in transit, in carrying hundreds of thousands of busheds of grain there would be more profit to the railroad than could be earned by a smaller train going a distance perhaps a few miles shorter. There is a saving of labour and in winter a saving of fuel, particularly from Winnipeg to Montreal.

Therefore we have all that is needed to make our National railways a success. I am interested also in the success of the Canadian Pacific, because if it were not successful the country would suffer. Our National system, I know, has a great deal to learn from the Canadian Pacific, and I feel sure that if the Canadian Pacific had the Transcontinental line from Winnipeg to St. John in their possession, they would soon make use of it.

It has been said that the Transcontinental was built at a time of enthusiasm. It was undertaken after most careful consideration, and was approved by the people of Canada in 1904. It might be said that Sir Wilfrid Laurier appealed to the people on that issue. He appealed again in 1908, and in 1911. If he was defeated in 1911 on the issue of reciprocity with the United States, it was, I repeat emphatically, because of the great error of the majority of the people of Canada. Not only have the people of the Western Provinces suffered by that mistake, and they have undoubtedly suffered the most—but the whole of Canada has suffered, because the prosperity which the Western Provinces would have enjoyed in subsequent years would have been of great advantage to Eastern Canada as well.

The motion for the Address was agreed to.

THE LATE HON. SENATORS THORNE AND RATZ.

TRIBUTES TO THEIR MEMORY

Hon. R. DANDURAND: Honourable gentlemen, before the Senate adjourns I desire to refer to the loss we have sustained in the departure for a better world of two of our esteemed colleagues, Hon. Mr. Thorne and Hon. Mr. Ratz.

Hon. Mr. Thorne moved with such alacrity and ease among us that it was not apparent that he had reached so ripe an age as four score years. He had a long and useful career in the city of St. John, the capital of New Brunswick. He was very successful in business, having reached the top rung of the ladder, and enjoyed the confidence of the entire community, in which he was a leader. Hon. Mr. Thorne possessed all the qualities that win for a citizen the high esteem of the people among whom he lives. He was endowed with a sound judgment and was a most public spirited citizen. I know of men who, having the advantage of being near him, sought his advice for guidance in their own pursuits. His reputation as a sound man of business was recognized by a number of industrial and financial institutions, who called him to their councils. He had a

most genial nature and made friends wherever he went. His loss will be keenly felt, not only by the citizens of St. John, but by the larger constituency of Canada. We in this Chamber admired him for his personal good qualities and his genial nature.

We are sorrowful, likewise, at the sudden demise of the Hon. Mr. Ratz. All that I have said as to our esteem for the Hon. Mr. Thorne I could appropriately repeat regarding the Hon. Mr. Ratz. He was a self-made man and made a success of the business which he established and developed in his own town. His fellow citizens showed their esteem for him by sending him as their representative to the House of Commons for a number of years. He was kind hearted and most companionable. We regret his departure and our sympathies go to his widow and children.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I adopt as my own the sentiments which have been so aptly expressed by my honourable friend the Leader of the Government with reference to our two colleagues who have departed this life since last Session, and I feel that I speak on behalf of honourable gentlemen on both sides of the House.

The late Senator Thorne was a gentleman who had peculiarly endeared himself, not only to all the members of this House, but to the whole community in which he lived. It was a characteristic of our departed friend that in all his spheres of activity he might have been accepted as a leader. Within my long knowledge of men I can recall no man who possessed more of social charm or endeared himself more to those with whom he was associated, and this was due to an innate quality rather than to any effort on his part. It is no exaggeration to say that in his own community, the city of St. John, or in the entire Province of New Brunswick, or even in the larger sphere in which he moved, no one occupied a higher place in the esteem of his fellow men. Although previous to his appointment to the Senate he had not been a member of the House of Commons, yet he was easily the most dominant spirit in the political life of his province. Occupying no official position in the party in that province, he was yet the leader of the party, and his leadership was recognized by the Government that appointed him to the Senate of Canada. He was readily conceded to be the weightiest adviser in his party. The same might be said of him commercially. I know of no man who distinguished himself more in the business life of the province to which he belonged than the late Senator Thorne. He was acknowledged to be one of the commercial princes, not only of New Brunswick but of the Maritime Provinces. In whatever sphere in life he moved he easily occupied the position of a leader. We deeply mourn his departure, and those of us who knew him most intimately will mourn him most deeply. His memory will ever be cherished by us.

The late Senator Ratz, when he came to this House, had to his credit a long term of service in the House of Commons. He came here rich in experience of political life. Although he may be said to have been a silent member, he always participated actively in the business of this House. I know of few honourable gentlemen who took a more active interest in the affairs of the Senate than Mr. Ratz. He was faithful in attending the meetings of any committee to which he was appointed. Whatever duty was assigned to him he performed with a diligence and an ability that are highly creditable to his memory. The influence of this House in its dealings with public affairs is very largely made up of the knowledge and experience of honourable gentlemen of his character. They confer upon the Senate the advantage of experience gained not only in the House of Commons, but in the community in which they live.

I join with my honourable friend the Leader of the Government in his expressions of regret and sorrow. I know that I voice the sentiments of all members when I say that we mourn the departure of our two colleagues.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: moved:

That when the Senate adjourns to-day it do stand adjourned until Tuesday, April 1st, at 8 o'clock in the evening.

My notice gives the date of Tuesday, March 25, which would mean a two weeks' adjournment. When I gave that notice I thought that the data requested by the Committee established for inquiry into the Civil Service would be available by the 25th of March. We learned, however, at the meeting held this morning, that the documents required from the Bureau of Statistics would not be ready before the 1st of April. As there is nothing, so far as I can see, that will reach this Chamber before that date, I am disposed, if the Senate views the matter as I do, to alter my motion to read:

That when the Senate adjourns to-day it do stand adjourned until Tuesday, April 1st, at 8 o'clock in the evening.

As I have stated, I do not know of any important matter that would reach us before

that date. The Divorce Committee is empowered to sit during the recess. The other important work devolving upon this House would be the carrying on of our investigation in the Civil Service Committee, but we would gain nothing by meeting before the 1st of April, because the information on which our investigation is to be based will not be at hand before that date.

I take this opportunity to say a few words on the situation which confronts us. We are expecting legislation from the House of Commons, but it is very doubtful whether we will get any before the first of April, because the discussion on the Address in the other Chamber, usually occupies a fortnight or more, and then the Estimates for the year are brought down and work upon them is begun. As I see it, there is very little likelihood of any Bills of importance reaching us for some time.

In this connection, since it has been the habit in the other House occasionally to discuss Senate reform, I would like for a few moments to discuss House of Commons reform. We met practically on the first of March. If the procedure usually followed in the House of Commons is maintained, I foresee that this Session will last into the month of July, and may even run into August, which means that Parliament will be here during the dog-days of the summer season.

I have felt strongly that the House of Commons could well afford to amend its rules in reference to the discussion of public matters. The conditions which prevail in that House affect us to such an extent that I think the Senate is justified in discussing the situation. There are 235 members in the Commons and there will be at least 10 or 15 more after the next election; and it seems to me that a limitation should be put upon the length of the speeches delivered in that Chamber. In many other Parliaments such a limitation is imposed. It is true that the House of Commons has adopted the closure rule, but that has not seemed to limit the length of the speeches sufficiently to enable every member to be heard. In the United States Congress speeches are limited to a certain degree. I think power is given to the Speaker of the popular branch to gradually limit them as the discussion goes on. I wonder whether the leaders in the other House could not get together—and I mention particularly the Prime Minister, the Right Honourable Mr. Meighen, Mr. Forke and, if there is the nucleus of a Labour party, the leader of that party, whoever he may be—

Hon. Sir JAMES LOUGHEED: He is the whole party.

Hon. Mr. DANDURAND: I wonder whether they could not get together and agree upon a regulation that could be tried this Session as an experiment. My suggestion is that on all Bills and substantive motions the first four speeches should not exceed one hour each in duration, that the eight speeches following should be limited to half an hour each, and the succeeding speeches to fifteen minutes each. If this rule were tried in the House of Commons for a Session I am convinced that it would make for a higher level of speeches in that House. Men would then prepare themselves to deal with essentials, and the speeches would have far more effect throughout the country than those which are of such great length that they cannot be read easily.

In the House of Commons in England, except on very special occasions, no man, I think, whatever his status, would dare to rise to his feet and speak for more than an hour. I believe that in most of the discussions that take place in that House the speeches do not extend beyond half an hour. Surely, if the matters which are treated there—international questions of the gravest import, or imperial questions which cover the Seven Seas—are dealt with in speeches not exceeding half an hour in length, the members of our House of Commons could by due preparation confine their remarks to essentials and save a great deal of the time that is lost in going into a thousand and one details.

I have followed the work of the British House of Commons for a number of years, and I have been astounded at the rapidity with which they cover the ground and deal with dozens of subjects in half the time that our House of Commons gives to the voting of the Address. I believe that if the speeches were restricted as suggested they would be far more effective, and that thousands of dollars would be saved to the country each Session. I have heard on all sides throughout the country complaints of the length of our Sessions. The length of the Sessions is based on the length of the speeches and the abuse of speech in the House of Commons.

I think we are interested in discussing this matter because we are here, practically the prisoners of the House of Commons, awaiting their good pleasure for the reception of their work. We are now adjourning to the first of April, and many matters will come over to this Chamber quite late in the Session. Valuable time is lost in the House of Commons during the first two months. I believe that if the leaders of the three or four parties of that House got together, as I suggest, they could save at least one month of the time

of an ordinary Session, and instead of keeping us for four months, as they did last Session, they could expedite the business of the country and conclude it satisfactorily within three months.

I thought it was time for this Chamber to draw the attention of the House of Commons to our complaint, and I believe that these remarks will be received with due consideration by the members of that House. The leaders that I know in the other House are, unfortunately for me, some twenty years my junior, and as I am here surrounded by men of experience, many of whom have sat for a number of years in the House of Commons, it seems to me that our suggestions should be and will be received with good grace and will be given due consideration by that House.

Hon. Sir JAMES LOUGHEED: My honourable friend has struck a new note, namely, the reformation of the House of Commons. We have listened for so many years to proposals to reform the Senate that it is really a relief to consider for a moment the possibility of reforming the House of Commons.

It is impossible to discuss so large a subject, and one that covers so enormous a field, within five minutes; so I do not propose to enter upon any discussion of that nature; but I know of nothing more advantageous for us to do after we return from a well-spent holiday than to continue this discussion which has been raised by my honourable friend. In the meantime we can think over the many methods by which the desired end may be brought about.

There is simply this to be said, that there should be some better understanding between the two Houses of Parliament. The House of Commons proceeds to transact its business absolutely irrespective of the existence of this Chamber; it spends its time and devotes its energies to the transaction of business, regardless of the fact that there is a second Chamber or that this Chamber has to give consideration to the legislation which passes through that House from time to time. The obstacle that I see in the way of surmounting the difficulty my honourable friend has pointed out is that it is natural for Governments to exercise a peculiar strategy towards the end of the Session, and to hold back important legislation until it is too late for members of the House to discuss it. The consequence is that during the last two weeks of the Session we have placed upon the Table of the Senate the most important business of the country, without having any time to give it proper consideration. Honourable gentlemen will easily revert in their memory to what was done last Session. I think it is not an exaggeration to say that legislation involving an expenditure of a couple of hundred millions of dollars was thrown in our midst in the dying hours of the Session. It was utterly impossible to give it proper consideration, and hence it was the duty of the Senate to reject much of that legislation. For that reason the Senate has been subjected to much hostile criticism in the country, without the critics perceiving the many difficulties which confronted us.

Permit me to suggest this—and honourable gentlemen can consider it during the adjournment: could we not urge upon the House of Commons the desirability of expediting the public business by referring their Estimates to a Committee of that House, as is done in the British Parliament? We very well know that probably the greater part of the time of the House of Commons is occupied in dealing with the public Estimates. While the House of Commons is thus engaged, such legislation as we are called upon to consider cannot be dealt with. If, therefore, some provision were made for a Committee of that House to deal with the public Estimates, more of the time of the House could be given to legislation, and it would be enabled to furnish this House with measures which should and would occupy our attention, and we could avoid what I might term these unseemly adjournments that we are compelled to take from time to time.

Hon. Mr. DANDURAND: This matter can be brought up again, but I thought that before separating we should give the benefit of our advice, crude as it may be, to the House of Commons. I have suggested a limitation of the length of speeches; my honourable friend had added the very valuable suggestion that the Estimates be referred to a select committee of the Commons, as is done by the British House of Commons, so that while that Committee was scrutinizing the Estimates public legislation could be dealt with concurrently in the House and sent to this Chamber in time for proper consideration instead of coming to us in the last minutes of the Session.

In the United States Congress, a member who comes under the five-minutes rule, having prepared a speech which he wants his electors to read, may send it to be printed in the Congressional Record. Such a practice might perhaps be adopted by our House of Commons. It would not diminish the volume of Hansard, but it would save at least a month of the time of an ordinary Session.

Hon. Mr. TURRIFF: Honourable gentlemen, I would like again to make the suggestion that I made last Session, namely, that the leader of the Government should try to arrange that all private legislation should be initiated in the Senate and then be sent to the Commons. The result would be that the legislation would go through the Commons in one-third of the time that is now required.

The motion, amended as proposed, was agreed to.

The Senate adjourned until Tuesday, April 1st, at 8 p.m.

THE SENATE

Tuesday, April 1, 1924.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Andrew Haydon, of Ottawa, Ontario, introduced by Hon. Mr. Dandurand and Hon. Mr. Watson.

PATENT BILL

FIRST READING

Bill 4, an Act to amend the Patent Act (French Version).—Hon. Mr. Dandurand.

INDUSTRIAL DISPUTES BILL

FIRST READING

Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

PENITENTIARIES BILL

FIRST READING

Bill 12, an Act to amend the Penitentiaries Act.—Hon. Mr. Dandurand.

FRUIT BILL

FIRST READING

Bill 13, an Act to amend the Fruit Act (French Version).—Hon. Mr. Dandurand.

APPROPRIATION BILL NO. 1

FIRST READING

Bill 20, an Act for granting to His Majesty certain sums of money for the Public Service for the year ending the 31st of March, 1925.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, it has been the custom to pass the three readings of this Bill by general consent of the House. I am ready to proceed according to custom, but if there is any suggestion to the contrary I will abide by it.

Hon. Sir JAMES LOUGHEED: Well, say Thursday.

Hon. Mr. DANDURAND: Very well.

CAPE BRETON LABOUR DISPUTE

INQUIRY

On the Orders of the Day:

Hon. Mr. DAVID: I wish to call the attention of the honourable leader of the House, representing the Government in this House, to a report in the Montreal Star of a speech which is said to have been made at a meeting of Cape Breton miners lately by a man named McLachlan. The Star says:

> McLachlan made the firebrand speech of the meeting. He reiterated his advice to strike on the job and not give a fair day's work for a fair day's pay.
>
> "Every local in this district should send a telegram to President Lewis protesting against the wage contract," he declared. "You men are not bound to accept this agreement, and you should do everything in your power to break it. Wolvin will want coal in the next few weeks to fill his Montreal contracts. Then your time to get even will have arrived. Mine as little coal as possible so that your oppressors will be brought to a realization that you do not favor working under existing conditions and will not give the best that is in you until the company agrees to a contract satisfactory to men whom you yourselves elect to office."

I would like to know if that McLachlan is the same man who was released by the Government lately, and if he is, I would like to know if the Government intends to allow that dangerous man to continue to express such harmful sentiments, and if the Government does not think it proper to send him back to jail, where he should have been kept.

Hon. Mr. DANDURAND: I suppose my honourable friend addresses that question to the Government, and I have no mandate to answer it. I would have preferred that my honourable friend had put the question on the Order Paper, and I would then have obtained an answer more authoritative than a simple expression of opinion from myself.

Hon. Mr. DAVID: I will do that.

Hon. Mr. CASGRAIN: Do it now.

Hon. W. B. ROSS: I suppose my honourable friend the leader of the Government could not spare the time now to go down there and get McLachlan.

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

THE SENATE

Wednesday, April 2, 1924.

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

Prayers and routine proceedings.

THE LIQUOR TRAFFIC TREATY

Hon. Mr. DANDURAND: Honourable gentlemen, a message has been received from the House of Commons laying before us an agreement between His Majesty and the President of the United States on the liquor traffic, and it will come up to-morrow. I find that the Treaty has not been laid on the Table. I am now presenting it, so that it may appear in the Minutes and be before us to-morrow if we take up the matter then.

Right Hon. Sir GEORGE E. FOSTER: Are there printed copies for the use of members?

Hon. Mr. DANDURAND: I asked if it had been printed and distributed, and I am informed by the Clerk of the House that it has not been. That is why it ought to appear in our Minutes.

Hon. Sir JAMES LOUGHEED: My right honourable friend from Ottawa (Right Hon. Sir George E. Foster) yesterday asked for certain information which, it seems to me, should be brought down before we give consideration to this subject. That information would illuminate the subject very much. If simply the bald Treaty is laid upon the Table, it furnishes to the House no information on which to base its action in so important a matter. If my honourable friend could expedite the preparation of that material it would, I think, be very much appreciated by the House and would assist us considerably in dealing with the measure.

Hon. Mr. DANDURAND: I observe that the notice of motion given by the right honourable gentleman (Right Hon. Sir George E. Foster) covers considerable ground, and it may take some time for the Customs authorities to gather the data for this Chamber. Perhaps, when my honourable friend (Hon. Sir James Lougheed) has read the agreement between His Majesty the King and the President of the United States, he will find that we may not require that information in order to allow the United States the advantage of the right of search beyond the three-mile limit. However, we can take up that question to-morrow.

CANADIAN INDUSTRIES

INQUIRY

Hon. Mr. DAVID inquired of the Government:

Have the manufacturers of the country placed before the Government a statement showing what the different industries of the country require for their establishment, their maintenance or their progress and development?

Hon. Mr. DANDURAND: The honourable gentleman has put a very broad question, which might be answered either in the affirmative or in the negative. If the manufacturers are considered as a body, I would answer in the negative. Individually they are in constant touch with the Department of Finance and do make representations from day to day. The Department of Finance does not fail to take notice of the declarations and statements by the President of the Association at their annual conventions, and even their monthly meetings.

CHICAGO SEWAGE CANAL

INQUIRY AND DISCUSSION

Hon. Mr. DAVID inquired of the Government:

Has the Government protested against a greater diversion of water from Lake Michigan than was allowed by the agreement passed between Canada and the United States in connection with the Chicago sewage canal and has there been correspondence between the Governments of both countries on that subject?

Is the Government informed that the Americans intend turning the Chicago sewage canal into a canal to connect the Great Lakes with the Mississippi in such a way as to lower the level of the St. Lawrence waterway, and if so, has there been exchange of correspondence between the Governments of the United States and of Canada on that subject?

Hon. Mr. DANDURAND: The honourable gentleman has put two questions bearing on the same subject. The answer first sent to me by the Department of Marine and Fisheries to the first question was:

There has been no agreement between the Governments of Canada and the United States looking to any diversion of water from lake Michigan through the Sanitary District canal.

The answer sent by the Department to the second question was as follows:

The Government of Canada is aware that there are several bills before Congress for appropriations to build a nine-foot waterway from the west end of the Chicago Sanitary District canal to the Mississippi river, but until appropriations are made work cannot be started.

In connection with this waterway Canada has filed objections to any diversion of water from the Great Lakes.

I asked for more detailed answers to these questions and have received the following:

Referring to yours of the 20th instant on the subject of the diversion at Chicago, I beg to advise you that

on the 8th of May, 1899, the then Secretary of War issued the following permit:—

"Whereas, by Section 10 of an Act of Congress approved March 3, 1899, entitled "An Act making appropriations for the construction, repair and preservation of certain public works, on rivers and harbours, and for other purposes," it is provided that it shall not be lawful to alter or modify the course, location, condition or capacity of the channel of any navigable water of the United States unless the work has been recommended by the Chief of Engineers and authorized by the Secretary of War prior to beginning the same;

"And whereas, the Sanitary District of Chicago, a municipal corporation, organized under the laws of the State of Illinois, has constructed an artificial channel from Robey street, Chicago, to Lockport, and has been heretofore granted permission by the Secretary of War to make certain improvements in the Chicago river for the purpose of correcting and regulating the cross-section of the river so as to secure a flowage capacity of 300,000 cubic feet per minute with a velocity of one and one-quarter miles an hour, it being intended to connect the said artificial channel with the west fork of the south branch of Chicago river at Robey street in the said City of Chicago.

"And whereas, the said Sanitary District of Chicago has now applied to the Secretary of War for permission to divert the waters of the said Chicago river and cause them to flow into the said artificial channel at Robey street as aforesaid.

"And whereas, the said Sanitary District of Chicago represents that such movable dams and sluice gates as are necessary to, at all times, secure absolute and complete control of the volume and velocity of flow through the Chicago river have been constructed.

"Now, therefore, the Chief of Engineers having consented thereto, this is to certify that the Secretary of War hereby gives permission to the said Sanitary District of Chicago to open the channel constructed and cause the water of Chicago river to flow into the same, subject to the following conditions:

"1. That it be distinctly understood that it is the intention of the Secretary of War to submit the questions connected with the work of the Sanitary District of Chicago to Congress for consideration and final action, and that this permit shall be subject to such action as may be taken by Congress.

"2. That if, at any time, it become apparent that the current created by such drainage works in the south and main branches of Chicago river, be unreasonably obstructive to navigation or injurious to property, the Secretary of War reserves the right to close said discharge through said channel or to modify it to such extent as may be demanded by navigation and property interests along said Chicago river and its South Branch.

"3. That the Sanitary District of Chicago must assume all responsibility for damages to property and navigation interests by reason of the introduction of a current in Chicago river."

On the 5th of December, 1901, this permit was modified in accordance with the following:

"Whereas, under date of May 8th, 1899, the Secretary of War granted permission unto the Sanitary District of Chicago to open the artificial channel from Robey street, Chicago, to Lockport, and cause the waters of Chicago river to flow into the same upon the following condition, inter alia:

"2. That if, at any time, it becomes apparent that the current created by such drainage works in the South and Main branches of Chicago river, be unreasonably obstructive to navigation or injurious to property, the Secretary of War reserves the right to close said discharge through said channel or to modify it to such extent as may be demanded by navigation and property interests, along said Chicago river and its South branch;

"And whereas, the Secretary of War subsequently directed said Sanitary District of Chicago, to regulate the discharge of water into the Chicago Drainage canal so that the maximum flow through the Chicago river shall not exceed 200,000 cubic feet per minute from midnight to 4 p.m., nor 300,000 cubic feet per minute from 4 p.m. to midnight;

"And whereas, said Sanitary District of Chicago has applied to the Secretary of War for permission to increase the flow between midnight and 4 p.m. daily, to 250,000 cubic feet per minute; and the Chief of Engineers has recommended that the increase applied for be granted, but that the rate of flow from 4 p.m. to midnight be reduced to 250,000 cubic feet per minute, so that the flow through the Chicago river shall not exceed 250,000 cubic feet per minute throughout the 24 hours of the day.

"Now therefore, this is to certify that, in accordance with the recommendation of the Chief of Engineers, the Secretary of War hereby gives unto the said Sanitary District of Chicago permission to regulate said discharge so that the maximum flow through the Chicago river shall not exceed 250,000 cubic feet per minute throughout the 24 hours of the day, upon the following conditions:

"1. That this permission shall be in lieu of the present authorized rates of flow as stated above.

"2. That the permission herein given shall be subject to such modification as in the opinion of the Secretary of War the public interests may from time to time require.

"3. That said Sanitary District of Chicago shall be responsible for all damages inflicted upon navigation interests by reason of the increase in flow herein authorized."

On the 5th of February, 1912, the Sanitary District made application to the Secretary of War for permission to withdraw 10,000 cubic feet per second from the lake. The then Secretary of War, Mr. Stimson, held a series of hearings at which Canada was represented by counsel, engineers, and various organizations from Ontario and Quebec.

The matter was very carefully considered, and the Secretary of War, on the 8th of January, 1913, rendered his decision, and in his finding he states amongst other things: "But, however that may be, and without resting my decision upon the question of my legal authority, I am quite clear as a matter of dicretion that under the facts presented by this case no further diversion of water should be permitted at Chicago without the direct sanction of the Congress of the United States." And he reached the following conclusions:

1. That the diversion of 10,000 c.f.s. from lake Michigan would substantially interfere with the navigable capacity of the navigable waters of the Great Lakes and connecting rivers.

2. That therefore, it would not be appropriate for him, without express Congressional sanction, to permit such a diversion however clearly demanded by local interests of the sanitation of Chicago.

3. That in the facts presented, no such case of local permanent necessity was made evident.

4. That the provisions of the Canadian treaty (Waterways Treaty of 1909) for a settlement by Joint Commission of questions on matters of difference between the United States and Canada, offered a further reason why no administrative officer would authorize a further diversion of water manifestly so injurious to Canada, against Canadian protest."

The Deputy Minister then continues:

It will thus be seen that the various Secretaries considered that each had no authority to grant permanent permits: that it was necessary for the Sanitary District to obtain the authority of Congress, and this authority has not yet been granted.

Secretary Stimson admits that the provisions of the Canadian treaty offer a further reason why no administrative officer would authorize a further diversion

of water manifestly so injurious to Canada against Canadian protest.

In a memorandum prepared by the Chief of Engineers for the Secretary of War, on the 13th of May, 1916, in which he says "These injurious effects were clearly foreseen by the Department, and hence the diversion has been restricted to the amount stated, and the Secretary of War has not only declined to increase the amount, but has constantly adhered to the position that the permit granted was to be considered of a temporary character and that any permanent diversion of the waters of lake Michigan into another watershed required Congressional authorization."

Canada has never acquiesced in any diversion. The Sanitary District seems to consider that it is entitled to 4,167 c.f.s. (250,000 cubic feet per minute), but it has no right to this beyond the permit, which the officer who issued it admits, does not legalize the diversion.

The laws of the State of Illinois, under which the drainage canal is constructed, require a discharge of 20,000 cubic feet per minute for each 100,000 of population: this means 10,000 cubic feet per second for a population of 3,000,000 (approximately the present day population).

The perusal of this memorandum will show that there is no real legal authority for the assertion that there is any legal diversion. It is true a temporary permit was granted, but with the distinct understanding that this had to receive the authority of Congress, which, in spite of many attempts has not yet been obtained.

At the present time there is a suit pending in the United States Supreme Court against the Sanitary District, seeking to establish the legality or otherwise of the diversion. As you are aware many states and corporations in the United States object to this diversion as well as Canada, and the Sanitary District claim that under the Waterways Treaty of 1909 they have some rights, but no specific mention is there made of the situation.

I may add that this very important question should, in my opinion, be submitted to the International Joint Commission, whose powers are defined by the Boundary Waterways Treaty of 1909.

The enlarged Engineering Commission which is about to be appointed by the United States and Canada will have among its duties to examine into the water levels of the Great Lakes and the St. Lawrence River in connection with the development of the St. Lawrence waterways. I take for granted that their very first duty will be to find out the normal levels of the Great Lakes and, of necessity, they will be obliged to examine into the effect of the diversion of water by the Chicago drainage canal. If they find—as I have no doubt they will—that this diversion lowers the level of the lakes, I am sure that the people of Canada will insist that no international work should be entered upon until the normal levels of the lakes have been restored, since all calculations must necessarily be based upon the acknowledged levels of the Great Lakes. This is the essential basis upon which will rest all their studies.

Hon. Mr. DAVID: What was done in the United States is very interesting, but I would like to know what our Government has done.

Hon. Mr. DANDURAND: It has at various times instructed the British Ambassador at Washington to register the protest of Canada against the authorization sought by the Chicago Sanitary Canal Commission.

Right Hon. Sir GEORGE E. FOSTER: Will the honourable gentleman allow me a question? Who is the author of that last section that he read? Who stands behind it, I mean?

Hon. Mr. DANDURAND: The words at the conclusion of the Deputy Minister's memorandum are my own.

Hon. Mr. CASGRAIN: In the name of the Government, I hope.

Hon. Mr. BRADBURY: Is it not a fact that this matter has been provided for in a Treaty between Great Britain and the United States? If that is so, why should the question be submitted to any commission? Why does not Canada call upon the United States to implement the Treaty?

Hon. Mr. DANDURAND: I cannot satisfactorily answer my honourable friend on that point. I do not know why in the last five or ten years the Canadian Government has not pressed the United States for a reference of this matter to our Waterways Commission. The Treaty was entered into in 1909. The first diversion of water took place prior to that date; but even if the Treaty could be interpreted as governing only subsequent acts, I would think that the two Governments could have agreed, and could still agree, to refer the whole question to the International Waterways Commission. But if there can be no understanding by the two Governments on that point there can certainly be instructions given to the enlarged Engineering Commission, and instructions will be given them, to examine into the levels of the Great Lakes and of the St. Lawrence. To my mind that is absolutely the first step to be taken before those engineers proceed to examine into the possibilities of development. The first question for them to determine is, what is the reservoir which will furnish water, and what is the depth of the water in that reservoir. For these improvement—levels will have to be taken—not only present levels, but what are the normal levels according to an average during a certain number of years. Necessarily they will be face to face with the problem of that diversion of water; and, speaking for myself, not having submitted that part of my answer to my colleagues, I say that the people

of Canada will be slow in entering upon future international developments of the St. Lawrence until the question of the level of the lakes has been definitely settled.

Hon. Mr. CASGRAIN: In answer to the honourable gentleman from Manitoba (Hon. Mr. Bradbury) I might say that there was no treaty when that diversion was first made. The diversion consisted in reversing the course of the Chicago river, which was called Dog Creek, from the old French name, La Rivière du Chien. This river having been diverted, the height of land—

Right Hon. Sir GEORGE E. FOSTER: Diverted, or inverted?

Hon. Mr. CASGRAIN: The height of land preventing the water of Lake Michigan from flowing south is only 12 feet; that is the only summit they had to overcome, so it was a simple matter to make this canal—to reverse the flow of Chicago river, as they call it now. They built the canal in a southeasterly direction to Lockport and then further for some 40 miles. That canal has a depth of water of 20 feet. It is 160 feet in width at the bottom, and, as the slopes are one to two, honourable gentlemen will see that it is nearly 250 feet at the top. It is an immense river. There are very few rivers with a flow of 10,000 cubic feet per second, at low water in the summer time. At the end of the canal there is a drop of 34 feet, from which at present they are generating 36,000 horse-power, which they use to pump the sewage of Chicago, and light their streets and parks.

The 9-foot navigation that is now talked of is via the river Des Plaines, and the Illinois river, and on to the Mississippi. This was the course taken by ancestors of mine when they were not allowed to sell their furs outside of Canada, shortly after the cession of Canada. They travelled from Montreal through the Ottawa and Mattawa rivers, Trout Lake, Talon Lake, Turtle Lake, Nipissing Lake, French River, Little Current, along the north shore of the Georgian Bay, through St. Mary's river and Mackinaw Straits, along the south shore of Lake Michigan, and through Dog Creek.

I may say that up to date some $98,000,000 have been expended on that canal. It was in 1907 that the water was turned into it, and immediately there was a noticeable drop in the lake levels. of at least 20 inches. I discovered that at the time while acting as an engineer. Water levels can be affected by very slight causes. For instance, the small piers of the C.P.R. bridge at the upper end of the Sault Ste. Marie, actually raised the normal level of Lake Superior by one foot. As they are developing water-powers at the Sault they have kept very close watch on the levels of Lake Superior, because, as shown by the effect of that small obstruction, it would be very easy to prevent the flow. The same thing might apply to lakes Huron and Erie. As the United States has lowered the levels, the work of correction should be done at its expense.

Hon. Mr. TURRIFF: I understood the honourable gentleman to say that the Federal Government of the United States now wanted to take more water through the Chicago Sanitary Canal.

Hon. Mr. DANDURAND: No; the Chicago Sanitary Commission. The Federal Government is opposed.

Hon. Mr. CASGRAIN: The Washington Government having permitted all this, it now says it is not its fault. That is something for our legal lights to spend some time on. The several States say that each is sovereign within its own territory. The State of Illinois says to Washington: "We will keep on diverting, and it is none of your business, because we have only delegated to you, as the Federal Government, certain powers; but this sanitary district is ours, and we will go on just as we have been doing." Thus they are defying the central Government. Honourable gentlemen know that the State of New York does not favour the St. Lawrence deep waterway scheme, and contends that Washington has no right to discuss the matter with the Ottawa Government, because such action affects the State rights. It asserts that the state of New York is the riparian proprietor, and that it should come here if anybody does.

JUDGES BILL

FIRST READING

Bill 25, an Act to amend The Judges Act.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, April 3, 1924.

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

Prayers and routine proceedings.

NOVA SCOTIAN PUBLIC INTERESTS

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an order of the Senate do issue for copies of all correspondence and other statements received by the

Government of Canada, or any member of such Government, during 1923 and since from or on behalf of the Government of Nova Scotia in regard to transportation, commercial, economic and other public matters of interest to the said Province, including any requests for investigation of the matters relating to said interests and also all correspondence and other statements by the Government of Canada, or any member thereof in response to such representations and requests.

The motion was agreed to.

EXPORT OF INTOXICATING LIQUORS

MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER moved:

That an Order of the Senate do issue for a return of the clearances granted by the Customs authorities to vessels of fifteen hundred tons and under for export of intoxicating liquors from Canada during the calendar year 1923, giving according to Provinces the port from which, the port and country to which clearance was granted and the tonnage of each vessel cleared, the quality and kind of liquor indicated, the value of the same and the amount of duty involved, paid or remitted in each case, the amount and nature of the security taken by the Government to insure the bona-fides of the exports, the names of the vessels and the date of sailing from the Canadian port, and the date of the next entry of those vessels into Canada, the foreign ports from which they were cleared, and the name of the Customs official in each case who issued the clearance from Canadian ports.

CANADIAN NATIONAL RAILWAY EMPLOYEES

MOTION FOR RETURN

Hon. W. B. ROSS moved:

That an Order of the Senate do issue for a return giving a copy of the agreements between The Canadian National Railway and the Brotherhoods or organizations of Railway Employees together with a copy of one pay roll under each agreement for the Atlantic Division.

CAPE BRETON LABOUR DISPUTE

INQUIRY

Hon. Mr. DAVID, by leave of the House, rose in accordance with the following notice:

That he will call the attention of the Senate and of the Government upon the report published on the 31st of March last, and reproduced in the Senate Hansard of April the 1st, of a speech made by a man of the name of McLachlan at a meeting of miners in Cape Breton, and will inquire whether that McLachlan is the same man that has been released lately on parole by the Government, and, if so, does the Government intend to allow that dangerous man to continue to express such pernicious sentiments, and do they not think it proper to send him back to jail in the interest of society and of the working class itself?

He said: Honourable gentlemen, with the consent of the leader of the House and the honourable gentleman from Assiniboia (Hon. Mr. Turiff), I ask to be allowed to make my inquiry now. Through misunderstanding or mistake, it was put on the Orders of the Day for to-morrow. I cannot be here to-morrow, and so hope that I may be allowed to say a few words in explanation.

Hon. Mr. TANNER.

Some Hon. SENATORS: Go on.

Hon. Mr. DANDURAND: There is no objection to the honourable gentleman making his statements now, but, as some member who is absent may be desirous of speaking on this question to-morrow, it will remain on the Order Paper.

The Hon. the SPEAKER: I understand the honourable gentleman has the consent of the Senate to proceed.

Hon. Mr. DAVID: I thank you, honourable gentlemen. I suppose I do not need to read the notice, as it has been already published twice, but in order to justify my remarks I wish to read only a few words of the utterances made by McLachlan at Cape Breton. The Montreal Star, which reported his speech, says:

McLachlan made the firebrand speech of the meeting. He reiterated his advice to strike on the job and not give a fair day's work for a fair day's pay.

Afterwards, speaking of the contract made with the miners, he said:

You men are not bound to accept this agreement, and you should do everything in your power to break it. Mine as little coal as possible, so that your oppressors will be brought to a realisation that you do not favour working under existing conditions and will not give the best that is in you.

What does that mean, honourable gentlemen? What is the meaning of the advice given by McLachlan to the miners of Cape Breton? It means this. He advises them to be disloyal and dishonest, and to act illegally and fraudulently. That is the clear meaning of his speech.

I do not think it is necessary to attempt to show how dangerous it is to allow such agitators as McLachlan to express and spread such ideas and sentiments and instil the Bolshevist poison into the minds of our population, especially our working people whom we must protect against the efforts made to deceive them. Unfortunately the world is full of false doctrines and fallacious theories engendered by the dreams, the ambitions, and the selfishness of these agitators, and everywhere the world has drifted towards extreme democracy and anarchy, putting all the countries of the world at the mercy of a few, the good elements of labour being dominated by the worse. How long and to what extent will British institutions be able to keep their ascendancy and influence in the world? How long will Canada itself avoid the Bolshevist epidemic, especially if men like McLachlan are allowed to say and do what they like? Unfortunately, workingmen are too easily convinced by these agitators that they are working in their in-

terests, and unfortunately also Governments in all countries do not realize sufficiently the dangers which threaten the foundations of society, and are therefore too much inclined to shut their eyes to the doings of these agitators. Let us at least protect our country, our dear Canada, against their nefarious influences in order that we may occupy a place in the world where the fundamental principles of law and order are respected. Let us do what is just and proper to improve the condition of all labour people so that they may love more our country and its institutions and thus strengthen the influence of the good and reasonable elements of this class of our population.

I may say that I have always done everything I could in that direction. When I was a member of the local House of the Province of Quebec, I was instrumental in having half-a-dozen Bills passed in order to exempt from seizure the wages and furniture of the labouring people, and to facilitate the recovery of their claims before our courts by summary justice. In the Senate, as honourable gentlemen know, I have always voted for Bills the effect of which was to improve the condition of the labouring people and to do them good. But I commence to be anxious about their doings; I commence to be afraid of the result of what is going on in the world. I am afraid that agitators like McLachlan may induce these people to defy all authority, even the authority of the chiefs of their Union, and I am afraid that they may thereby lose the sympathy of those who have at heart the welfare and progress of the labour people.

Hon. Mr. DANDURAND: The notice will remain on the Order Paper for to-morrow unless someone desires to follow the honourable gentleman now.

REDUCTION OF SENATE MEMBERSHIP

MOTION

Hon. J. G. TURRIFF moved:

1. That in the opinion of the Senate it is advisable in the interest of economy and good Government to reduce the number of Senators by one third, viz., from ninety-six to sixty-four Members.

2. That this reduction should be effected by not filling any vacancy that may occur in the number of Senators representing a province until that number has been reduced by one third, except in the senatorial division consisting of Nova Scotia, New Brunswick and Prince Edward Island, as to which division special provision as to the distribution of the reduction will be required.

3. That in each appointment of a Senator made under the decreased representation it shall be provided that the Senators shall automatically retire on attaining the age of years.

He said: For many years, a good many of them before I became a member of this body, and since, I have felt that some changes or reforms might be made with advantage to the country. When our constitution was adopted almost 60 years ago the Senate was provided for under the British North America Act. Since that time the country has observed how it has worked out, and I think every honourable member will acknowledge that there has been a considerable amount of criticism throughout the country, and that the present Senate and the manner of its appointment have not been regarded as altogether satisfactory. I believe, honourable gentlemen, that that feeling is growing. I will not undertake to say that that remark applies to every part of Canada; but, speaking as a Senator from the western provinces, I can assure this House that there is a growing feeling that there should be some changes made.

Since I have been in Parliament during the last 20 years I have heard numbers of propositions brought forward in reference to reforming the Senate. These suggestions have almost always been made by the party in opposition; but as soon as they came into power they generally felt that they could leave it to Providence to reform the Senate by enabling them to appoint men of their own party. I have heard some good suggestions made, but every one of them involved addition to the cost of the Senate to the country. I do not believe that any reform or change can be made if it would add to the cost, for that would not be acceptable to the people of Canada.

It will be readily seen by every member that the suggestions I am making do not apply in any respect to the present members of the Senate, and I do not suppose that any reform could be so applied, because they have been appointed under the law. But if during the last 50 or 60 years it has been found that some changes could be made to advantage, why not make such changes very gradually? It would probably take 10 or 15 years to bring about what I propose, and while it would not very much affect the interests of any individual it would reduce the cost of the Senate to the country. Then, if further changes were suggested, I think the country would be much more likely to accept them, after we ourselves had made a reduction in the cost to the country. I do not think there is an honourable gentleman here who will say that the Senate could not perform its functions and its duties to the people of Canada just as well with a membership only two-thirds as numerous as it is to-day.

Look at the facts for a moment. Here we are with a country of 8,500,000 or 9,000,000 people, while right beside us to the south there is a country of 110,000,000. They have to deal with all the vast interests of the

United States, as well as their outlying territories, such as the Philippine Islands; with their big army and their navy; yet they have fewer Senators than we have. I tried to look up the exact number, but I did not find it; however, I think there are 45 or 46 states, each of which has two Senators, making less than the 96 that we have at present. Now, if a vast country like the United States, with much greater interests than we can possibly have to deal with, gets along with fewer Senators than we have for 8,500,000 people, surely it is worth while to consider whether we cannot do something to improve the condition of affairs.

Hon. Mr. SCHAFFNER: May I ask the honourable gentleman if he has considered the fact that, in addition to the Federal Senate, every state of the Union has a second chamber?

Hon. Mr. TURRIFF: Yes, I am aware of that. However, the State Senates and the Federal Senate, taken altogether, are not one-third as numerous as the members of our various legislatures, and their expense of governing is nothing like ours.

Now, I think it will be generally acknowledged that the feeling throughout this country is that some change should be made. If so, would it not be well for the change to come from within the Senate, rather than from without? I am well aware that under the B.N.A. Act any legislation, to become effective, has to pass through the Senate; but we all know that we are living in a democratic country, and that the will of the people must control the House of Commons and also eventually the Senate. If the people of Canada ever decide to change or reduce or abolish the Senate, the will of the people must be carried out. That being so, I think it is advisable for us to look into the matter and see if anything can be done that will gradually bring about a better state of affairs.

I am not particularly wedded to the form of motion that I have introduced. I think now, as I have always thought, that a nominated Senate in Canada is preferable to an elective Senate, the idea of which I do not like, for it would mean a great deal of expense every four or five years, as the constituencies would naturally have to be three or four times as large as those for the House of Commons. Furthermore, I think such a Senate would be more of a replica of the House of Commons than we have at present. I also believe that any independent person, looking around the House of Commons and the Senate, will say that the Senators appointed by different governments from Confederation to the present time have been a fairly reasonable and judicious selection, and will compare very favourably with the men whom the people elect to the House of Commons in ability, experience, and every thing that goes to the making of good legislators.

In favouring a nominated Senate, I presume that I do not represent the feeling of the majority of the people of Canada. Certainly those in the western provinces favour an elective Senate, the members to be elected for probably two terms, half of them being elected at each general election. However, that is a matter of opinion, and one that probably will not involve any change for some time.

I would like to see one or two other changes made in the Senate. I have not mentioned them all in this resolution, for the simple reason that my main object is to get an expression of opinion on the question of a reduction in the number of Senators and the cost to the country of carrying on the Senate. I thought it advisable not to complicate the matter by adding other things that can come just as well later on.

Holding these views, I have taken the liberty of bringing this question before the members of this House. If it is felt that what I have suggested is not right—and I do not for one moment expect that it will have general support—it is open to amendment. For instance, I left a blank where I suggest that in future, after the reduction has been made, Senators appointed should remain until they reached a certain age. I hesitated to put down the age I have in mind, because when I look around this House to-day and see the number of men that are over that age, yet who are just as young as I am, and a good deal younger in every respect but years, and mentally just as active and bright as ever they were in their lives, and many of them more so, and as active physically as they were 20, 30 and 40 years ago, I hesitated to put in a limit of any kind. I thought that would be better left to the good sense of the Senate.

Hon. Mr. DANDURAND: Yet somebody will have to mention a figure.

Hon. Mr. TURRIFF: Oh, yes, and I am prepared to do so. I am always prepared to back my figures.

Hon. Mr. LYNCH-STAUNTON: Put it so many years past your own age.

Hon. Mr. TURRIFF: I would put it six and a half years above my own age.

Hon. Mr. LYNCH-STAUNTON: What are you—ninety?

Hon. Mr. TURRIFF: No, I am not ninety; I am only about ten years younger than my

honourable friend. I do not mind saying that I am in my sixty-ninth year; so that, in about six and a half years more, if I live that long, I would arrive at the age that I had in my mind to put in the motion. I think perhaps that is too young, but if it were the opinion of the House that that should be the age, I would be quite willing.

Further, if the age were put at 75, and if we made the reduction in number and cut off one-third of the cost of the Senate, I feel quite sure that the Senate and the country would be quite willing to make a retiring allowance to any future Senator going out on account of age—either his full indemnity, or something very near it. This would not apply to any Senator in the House now.

Hon. Mr. CASGRAIN: That is a money bill; we have no right to do that.

Hon. Mr. LYNCH-STAUNTON: You would soon increase the Senate to the same size, then.

Hon. Mr. TURRIFF: Oh, no. If Senators at a certain age went out automatically, there would never be very many of them out at one time, and if the age were fixed at 80, which would perhaps be better than 75, there would be fewer drawing the pension.

Hon. Mr. McMEANS: What about the introduction of women to the Senate? You might as well deal with that while you are at it.

Hon. Mr. TURRIFF: If they were admitted to the Senate they would never be eliminated on account of age, because we know perfectly well that none of them ever get very old.

Hon. W. B. ROSS: You could not ask them their age, anyway.

Hon. Mr. TURRIFF: Honourable gentlemen, I know that a proposition of this kind will probably not receive a great deal of consideration in the Senate, but at the same time I really think that it is worth our attention. It is hardly to be expected that a law passed almost 60 years ago should be so perfect that it cannot be improved, and if so, why should we not improve it? If there is to be any improvement, why should it not come from the Senate itself? I think it would be much better coming from the Senate than by a Bill from the other end of the building. We all know that year after year a resolution in respect to this matter is brought up in the other House, and it has been nearly always, and of late years altogether, along the lines of either abolishing the Senate or making it elective. Now, I think that if we could take moderate action to bring about some changes it might satisfy the people of Canada.

While on this subject of reducing the cost and membership of the Senate, I think the time has come, honourable gentlemen, when the whole question of government might very well be considered and a proportionate reduction made, as it should be made, in the representation in the House of Commons. The cost of government in Canada is very excessive. With the increasing population in Western Canada we shall have in a short time a House of Commons composed of 300 members. I think that number is unnecessarily large. I think, furthermore, that the size of the local legislatures ought to be reduced. I see it is beginning to be advocated in newspapers throughout Ontario that the Ontario Legislature is larger than it should be, and that about three-quarters or two-thirds of the present number of legislators could just as well handle the affairs of the Province. I know that in our Western Provinces the Legislatures are unnecessarily large. The larger they are the more expensive they become, and in view of present conditions, when there are more or less hard times throughout Canada, when practically every Government in this country is adding to the provincial or the Dominion debt, I think it is time something should be done to begin the practice of economy at home. And it would not lessen the good that all the different Governments are doing.

Just to show about how our Government expenditures, taken all around, compare with those of other countries, I desire to refer to an extract which I clipped out of a newspaper the other day, and which is very much to the point. It is perhaps worth while putting it on Hansard. It is, I think, from a Toronto daily paper. At any rate, the figures were prepared by Grattan O'Leary. I do not know Mr. Grattan O'Leary. I have seen him only once in my life; but I know this, that he prepared a set of figures in relation to the tremendous expenditures that have been going on under the present Government, and under the late Government, and I have yet found nobody who could put his finger on any fact and say that the figure was not right. I think the figures are correct. I heard one person say that he had examined the figures closely in order to find him wrong, but had to admit that he was absolutely right in his figures. This clipping is dated at Toronto, March 22nd, just about two weeks ago:

"It is a conservative estimate that something like half a million people of this country are living on the taxes of the rest of us," declared Grattan O'Leary, Ottawa newspaperman, before the Canadian Creditmen's Association here this afternoon.

"The national debt of Canada which stood at one billion, three hundred and eighty-two millions on

Armistice Day, is to-day $2,400,000,000," said Mr. O'Leary. "In other words, we have increased the public debt of Canada more since the armistice than we increased it during the whole of the war.

"And that is not all. In addition to this there are enormous railway securities which the Dominion of Canada have guaranteed and which bring the gross public debt of the Dominion to three billion, two hundred and nineteen millions.

"According to a statement of the Royal Bank of Canada the aggregate of debts of our nine provinces totals $428,000,000. Therefore, adding the debt of nine provinces to the debt of the Dominion and including also the debts of the large cities you get the alarming fact that we have a total debt of five hundred dollars for every living soul in the Dominion.

"Compare our position in this respect to that of the United States. That country has a population of 110,000,000 people, important possessions, a big navy and army, and has but eight cabinet ministers who draw in salaries $108,000 a year.

"Canada has a population of nine millions, has no outside possessions and no army or navy worth mentioning, yet she has eighteen cabinet ministers and pays them, including sessional indemnities, $229,000 a year."

Canada paid for nine lieutenant governors' salaries ranging from seven to nine thousand dollars a year, pays 235 members of parliament $4,000 a year and 96 senators the same, being an unusual total paid by the people, of $1,644,000.

Britain with a population of 40,000,000 people at home and a powerful army and navy, legislates for an Empire that encircles the globe and which has a combined population of three hundred and fifty millions. She did all this with a house of commons of 615 members whose indemnities total $1,230,000.

And they have no local legislatures at all, except now in Ireland.

Canada with nine million people had 908 legislators and 97 cabinet ministers, whose salaries are $3,000,000.

In view of those figures, which are absolutely right, does not every honourable member think that the time has arrived when we might reasonably consider this question and try to set an example by doing something to bring about a saving in regard to the Government of Canada?

Hon. Mr. DAVID: Can the honourable member tell me what reduction in expenditure would be effected by a reduction of the number of members of the Senate?

Hon. Mr. TURRIFF: No, I could not give my honourable friend the exact figures, but the amount would be well on towards one-third of the present cost of the Senate, and it would mean a great many thousands of dollars. The usefulness of the Senate would not be impaired in any degree whatever.

In making this suggestion I am not trying to obtain any advantage whatever for the Province from which I come. Saskatchewan has a smaller number of Senators, in proportion to population, than any other province in the Dominion of Canada. The four Western Provinces, with considerably more than two millions of people, have just the same representation as the three lower provinces, with one million people. We have a smaller proportion of Senators for our population than even the Province of Ontario, which has a large population. I am not suggesting that the ratio should be changed. Just here let me say that the reduction of the Senate would not affect the influence of any one province in the Dominion. The reduction would be proportionately the same for each province. You will observe that in my motion I state that some little change would have to be made in regard to the lower provinces. The three lower provinces together constitute a senatorial district. At the present time the representation is: Nova Scotia, 10; New Brunswick, 10; and Prince Edward Island, 4. You cannot divide that representation in each case by three, taking off one-third, without leaving a fraction; so some special arrangement would have to be made there. It could be effected by giving Nova Scotia 8, New Brunswick 7, and Prince Edward Island 3; but I presume that Prince Edward Island, having four now, might object to having only three; and New Brunswick probably would object to having one less than Nova Scotia. However, that is only a matter of detail and I have no doubt it could be very easily settled.

I had thought of including in my motion—but this is one of the things I left out—a provision whereby more work would come to the Senate and more use be made of it. Take for instance the last adjournment. We adjourned for practically three weeks, after sitting only a few days. That was through no fault of ours. It was because we were waiting for work from the other end of the building. Now, I have always maintained—and I can see no good reason against it, and I want to impress this once more on my honourable friend the leader of the Government—that some arrangement should be made with the House of Commons for having all private legislation introduced in the Senate. That should be made absolutely compulsory, and, if it were done, I am quite satisfied, that, with the ability of the Committees of this House, they would lick those Bills into such shape that they would pass the House of Commons very much faster than they do at the present time. In that way probably at least a week could be cut off the length of the Session. That would be an advantage to the members of the House of Commons, the members of the Senate, and particularly the ratepayers of Canada, because the shortening of

the Session by even a week would mean the saving of a great deal of money.

There is another point that I would like to see dealt with. I am sure that the Fathers of Confederation, in preparing the legislation regarding the Senate, never dreamt that at times the Senate composed of 96 members, or, as it was for many years, 81 members, should become one-sided. When Sir Wilfrid Laurier's Government came into power in 1896, if my memory serves me rightly, there were 11 Liberal Senators in the House, which was then composed of 81 members. In 1911, when that Government went out of power and the Government of my honourable friends opposite came in, the Conservatives had been reduced to about 18 or 20 in a House of 81. I do not think that is a good position for the Senate to be in, and I think it could be remedied to a certain extent. What I would propose is this. Of course, I am speaking now of the basis that existed at that time, when there were only two parties in the House. After a while—

Hon. Mr. ROBERTSON: We shall get back to two parties.

Hon. Mr. TURRIFF:—it may come down to two parties again. I hope so.

Hon. Mr. WATSON: It is pretty near that now in the Senate.

Hon. Mr. TURRIFF: Oh, no. There are three active parties in the Senate. There is, I admit, a disparity in the numbers of parties, but there are three parties. However, I think we may get back again to two. My idea is this, that when a change of Government occurs the Prime Minister of the day should make all the appointments until his party has a majority of, say, one in the Senate; after that, the Prime Minister of the day should make appointments to the first two vacancies from each Province or from each senatorial division; then the leader of the official Opposition should be asked by the Prime Minister to nominate for every third appointment. The only result would be that if the Government remained in power for 12 or 15 years, as has occurred very often in the past, the Senate would not become quite so one-sided as has been the case in days gone by. The patronage of the party in power would not be affected to any great extent. It would be affected a little, but they would make up for that during the time they were in opposition; so ultimately the result would be just about the same. I think this plan would be an advantage. However, I have not introduced that into my motion, although that is what I had in mind.

As to the question of an elective Senate, I have dwelt on that a little. It might be an advantage, but I am not going to advocate that. If it ever does come about, it will not hurt my feelings at all. We might get a very good Senate in that way, but I do not think it would be any better than the Senate under the present arrangements.

I do not agree, either, with those who advocate the Senate being either nominated or elected by the local legislatures, for this reason. It seems to me that under the present conditions you get the Dominion class of politicians, if I may put it that way, appointed to the Senate, but under the other system you would get a Senate composed of members or ex-members of local legislatures. I do not think that would be of any particular advantage, or that it would be as good as the present system. However, I have no very strong feeling in this matter one way or the other.

I have thought on this subject for many years, and, as I have stated, I consider it my duty to bring it up and let it be discussed, so that the Senate may come to any conclusion it wishes. And I will not feel at all hurt if the conclusion is not in line with my ideas.

Hon. Mr. BRADBURY: Honourable gentlemen—

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman allow me to ask a question? I would like to ask the honourable Leader of the House if it is permissible for us to wear our hats. I am afraid of getting pneumonia from these drafts.

Hon. Mr. DANDURAND: I have not examined the rules. Any practice not included in the rules is that of the Upper House in Great Britain, and I do not know what are the customs or the ethics of that institution. I would ask my honourable friend to allow me to postpone my answer for a day, so that I may look into the question.

Hon. Mr. LYNCH-STAUNTON: I wish my honourable friend would give the answer before I get pneumonia.

Hon. Sir JAMES LOUGHEED: In the meantime have him postpone his pneumonia.

Hon. G. H. BRADBURY: Honourable gentlemen, I seconded this resolution largely for the purpose of giving the honourable gentleman from Assiniboia (Hon. Mr. Turriff) a chance to lay the matter before the House.

I am not prepared to make any extended remarks upon the question. I differ with the honourable gentleman on some very important phases. I differ entirely with him as to an elective Senate or a Senate appointed partly by the leader of the Government and partly by the leader of the Opposition. I am thoroughly convinced that the present system of appointing the Senate is the only wise and safe system. There is no question in my mind that any departure from that system would tend to create an atmosphere in the country that would be detrimental to the work we have to perform.

I agree with many things the honourable gentleman has said in regard to the overmanning, to put it that way, of Government all over this Dominion. I look with considerable alarm on the great increase in the House of Commons when I realise that there will be an addition to that body of eight or ten or more members every ten years when redistribution takes place. I believe there is room for serious consideration of the question of retiring a large number of the members of the various governing bodies including our local legislatures. The ship of state, to my mind, is badly overloaded, but just what should be done to remedy that condition I am not prepared to say.

Nearly every session, during the last few years, there has been a motion in the other House aimed at this Chamber. This Chamber seems to be the favourite mark for many people who know very little about the great work that it performs year in and year out. To my mind this Chamber is the very backbone of the Constitution of our country, but the work which it accomplishes is apparently little known. To weaken its powers in any way would be, in my opinion, a retrograde move and one from which this country would certainly suffer severely.

When I rose I had not intended to say as much as I have already said. I seconded this resolution, as I stated, in order to give the honourable gentleman from Assiniboia (Hon. Mr. Turriff) an opportunity to make his speech and lay the matter before the House and open up the discussion. No doubt if honourable gentlemen feel that the matter is worthy of discussion the debate will continue.

Hon. G. McHUGH: There was one statement made by the honourable gentleman from Saskatchewan (Hon. Mr. Turriff) that I should not like to see go on Hansard unchallenged. He referred to Mr. O'Leary, to whom he gave a very high character for veracity in regard to his figures. That gentleman makes the statement that the Federal debt of Canada increased at a greater ratio after the Armistice was signed than before. The debt existed before that time, but apparently increased very rapidly, because after the Armistice the country's debts were consolidated and showed a larger ratio of increase.

Hon. O. TURGEON: Honourable gentlemen, I did not expect that this question would come up for discussion before the House to-day, and I have with me no references upon which to base the remarks which I of necessity have to make in a very hasty manner.

As an admirer of the Confederation pact it has been my lot on different occasions from the very early years of my life to combat in behalf of that pact. When I reached the province of New Brunswick the school trouble in that province was agitating the minds of the people. We of the minority sent our claims to the Privy Council in England, and contrary to our expectations we were told that we could not be granted what we requested. I was one of the first to adhere to the judgment of the Privy Council, and to advise my friends of the minority to come into closer relation with the Government of the day and to accept certain modifications which would render the school law acceptable to the minority. It has always been my pride to say that the people of Canada have to-day the best mode of government possible and the best basis for government in the future.

We hear to-day many complaints from many parts of the country. The public mind is not at rest. We are still suffering from the unrest caused by the war. Everyone suggests a solution of the trouble which affects him more particularly. We have the cry of economy coming from every possible direction. As I have often said, economy consists, not in not spending money, but in spending it judiciously.

What is proposed in this resolution affects the Confederation pact, and with all due deference to this body, and to every public man in Canada, let me say that it is pretty hard for any one of us to be wiser than the Fathers of Confederation were when they had in view not only the existing state of the people of Canada, but the time when our population would fill the Northwest Territories as well as the Eastern provinces, and would reach a total of fifty or sixty millions. I think it would be wise for us to-day to advise our neighbours to have patience until the country is extricated from its present financial condition by greater efficiency in transportation and in the development of our natural resources.

Let me say that this is not a question for the Senate of Canada. We have no right to decrease the representation of the people of the different provinces in this august body. Each one of the provinces came into Confederation only by the consent of its legislature, and it is only by the unanimous consent of the nine legislatures of this country that a change in the Constitution of Canada can be effected. Before we can reduce our number by one-third or by one-half a conference of the provinces would be necessary. I am not prepared to cite any authority, but I remember that in the years 1907-08, or 1906, perhaps, when there was a great agitation for an increase of subsidies to the provinces, I was prepared to support the increases, but I was not prepared to allow the House of Commons and the Senate to inflict further imposts upon the country. And I have yet my correspondence with my esteemed leader, Sir Wilfrid Laurier, at that time, in which I intimated to him that I could not consent to the House of Commons increasing any subsidies to the provinces—subsidies which had been given at the time of Confederation—and that, unless some measure could be devised by which every province could be consulted, I would have to vote against the proposition. In the reply of my great and honourable leader I was asked if I would stand by a reference of the question to a conference of the different provinces, and I agreed that it was the only possible means of reaching that end.

Now we come to a question of greater responsibility still, namely, a change in the Constitution. My honourable friend (Hon. Mr. Turriff), for whom I have all possible admiration, has cited the representation of the Maritime Provinces in the Senate. The representation in this Parliament is based upon population. It has been accepted by the different provinces, and they alone can change that representation. Each province came into the Confederation with a certain number of representatives in the Senate and in the House of Commons, and the provinces alone have the power to increase or decrease their representation. We in New Brunswick could not take it upon ourselves to decrease that number by one or two or three—no more could Nova Scotia or Prince Edward Island. The province of Quebec has 24 members, and came in under that particular representation, and neither the House of Commons nor the Senate has the power to reduce that representation. It is the same with the other provinces. When the province of British Columbia came into this Confederation, it came in with a certain number of representatives, to be increased according to population. Are we going to decrease the representation of that province in this Chamber without the consent of the legislature of that province?

As a remedy for all the ills that we suffer to-day, I would suggest to the people of Canada that they have patience until things can be rectified by the development of our resources. It is not by any momentary agitation in one province or another that we will mend the condition of our people, more particularly for the future.

It has been said by my honourable friend (Hon. Mr .Turriff) that the Senate of the United States, a country with a population of 110,000,000 people, is no greater in number than the Senate of Canada. The Constitution of the United States was formulated before the Canadian Confederation pact, and it is possible that the Fathers of Confederation had this before them and profited by the defects in regard to representation as well as in other matters, and avoided introducing them in our Constitution. Would it be acceptable to the people of Canada to say that, when we have a population 50,000,000, 64 of us should be able to reverse the public opinion of the country by amending a Bill which had been passed by the House of Commons? I believe that when that time comes, instead of asking for a reduction in the representation, the people of Canada will be asking for an increase. If the Senate of the United States had not been reduced to such a small number, it might perhaps have accepted the Treaty of Versailles, and as a result the world at large would have been much better off.

There is a motion in the House of Commons proposing that the Senate be elected. But what difference would it make to the representation of the country if both the Senate and the House of Commons were elected by the people? It has also been suggested that the term of the Senate should be 6 years, one year longer than that of the House of Commons. What effect would that have on the minds of the people? This House would be subject to the same agitations as the House of Commons. The Fathers of Confederation wanted a nominated Senate in order that each and every one of us called to this body would be actuated solely by love of country, by love of even-handed justice. Many suggestions are made with a view to a reduction of expense, because of the decrease of population in many places. Alberta is complaining that it has not so large a representation in the House of Commons as its people desire. We cannot accede to that

request, and anything that is to be done should be by the provinces holding conferences and coming to unanimous decisions as to any changes they desire.

I think it would be wisest for us to entertain the least possible change in the Constitution. This would tend to the contentment, happiness and prosperity of the people, for we must remember that the Constitution was created by men of wisdom and of sincere love of country.

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

FUNCTIONS OF THE AUDITOR GENERAL

INQUIRY

On the Orders of the Day:

Hon Mr. BRADBURY: I would like to ask the honourable leader of the Government if the Order in Council giving instructions to the Civil Service Commission and to the Deputy Ministers to revise the salaries of the Civil Service will in any way affect the work that the new Auditor General is supposed to be doing in the reorganization of the Civil Service. Will it be anticipating his work?

Hon. Mr. DANDURAND: Without answering on the spur of the moment I would say to my honourable friend that in my opinion the mandate given to the Civil Service Commission to revise certain classes of salaries will have nothing to do with the reorganization of the Service by the Audit Commission, and will not hamper that work. I do not believe that the revision of salaries will cover the whole of the Departments, but primarily a certain number of employees who are receiving minor salaries.

PATENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 4, an Act to amend the Patent Act (French Version).

He said: This Bill has for its object the improving, in two particulars only, of the translation of the Patent Act which was passed last Session.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Belcourt in the Chair.

Sections 1 and 2 were agreed to.

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.

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

INDUSTRIAL DISPUTES BILL

CONSIDERATION POSTPONED

On the Order:

Second Reading Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I have been asked to postpone the second reading of this Bill until Tuesday next.

Hon. W. B. ROSS: I would ask that it be postponed until a week from Tuesday, as I wish to discuss the judgment of the Privy Council.

Hon. Mr. BEAUBIEN: I would suggest that the adjournment be for a week or ten days so that we may look into the documents.

Hon. Mr. DANDURAND: If we postpone the Bill over next week we go beyond Easter, but I have no objection.

Hon. Sir JAMES LOUGHEED: What is my honourable friend doing about securing the opinion of the Department of Justice on the legal or constitutional controversy that has arisen?

Hon. Mr. DANDURAND: That was one of the reasons why I felt inclined to adjourn the second reading, until I could answer my honourable friend from Middleton.

Hon. Sir JAMES LOUGHEED: As the questions involved in the Act are very largely sub judice—I understand the Privy Council has already given judgment upon the constitutionality of some features of the Bill—it would be desirable that the opinion of the Department of Justice should be secured as to the constitutionality of the sections of the Bill before us. It seems to me to be idle to discuss a very important measure of this kind if it is suspended between heaven and earth on account of uncertainty as to our constitutional powers. I see no reason why my honourable friend should not bring down to this Chamber at once the opinion of the Department of Justice upon the questions involved. In the first place, we should have a copy of the judgment of the Privy Council, so that we could apply ourselves to the fundamental principles of the Act.

Hon. Mr. DANDURAND: To what judgment does my honourable friend refer?

Hon. Sir JAMES LOUGHEED: I understand the question arose in Ontario in regard to the Hydro-Eelectric Power Commission.

Hon. W. B. ROSS: The Attorney General of Ontario vs Reciprocal Insurers; that was decided on the 25th of January this year.

Hon. Sir JAMES LOUGHEED: Can my honourable friend not furnish this Chamber with a copy of that judgment, so that we may determine for ourselves its applicability to the questions before us.

Hon. Mr. DANDURAND: I intended to discuss the legal and constitutional features when I took up the second reading. We are now simply trying to agree as to the date at which the Bill could be discussed on the second reading.

Hon. Sir JAMES LOUGHEED: But my honourable friend will have a manifest advantage over the rest of the House if he alone is prepared to discuss the constitutional features, owing to the opinion of the Department of Justice or the judgment of the Privy Council which he may have in his possession. We, unfortunately, are not in possession of that information. My honourable friend should at least place upon the Table of the House the judgment of the Privy Council so that we might have access to it.

Hon. Mr. BELCOURT: Or at least tell us where we can see it, where it is reported.

Hon. Sir JAMES LOUGHEED: Yes; I have not seen it.

Hon. Mr. BEAUBIEN: Everybody knows how important this Bill is. It was stressed on both sides very seriously last year. Would it not be wise to allow it to stand until we get the opinion from the Department of Justice? It seems to me there is nothing to be gained by passing the Bill immediately; it will not be sanctioned, and it could wait even until after the Easter recess.

Hon. Mr. DANDURAND: I will move the adjournment of the consideration of this Bill until Thursday of next week, and between now and that date I may be able to bring an answer to my honourable friend's questions which are on the Order Paper for to-morrow.

The Order was discharged, to be placed on the Order Paper for Thursday next.

FRUIT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 13, an Act to amend The Fruit Act (French Version).

He said: This Bill has for its object the harmonizing of the French version with the English one of an Act which was put on the Statute Book last year. Instead of saying "85" the printed translation said "80." The amendment is to make the proper translation, 85. I move the second reading of the Bill.

The motion was agreed to, and 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. David in the Chair.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

APPROPRIATION BILL NO. 1

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 20, an Act for Granting to His Majesty certain sums of money for the purpose of the financial year ending March 31, 1925.

He said: Honourable gentlemen, apparently the beginning of our fiscal year synchronizes approximately with the opening of Parliament, and the Estimates cannot be considered and cannot be taken up and advanced sufficiently at this stage for the Commons or the Senate to express an opinion upon each and every item; so that we have had regularly each year such a Bill as that which is now in my hands, providing for a vote of one-sixth of the whole supply.

The amount which is asked for the months of April and May is $40,871,970.85 "towards defraying the several charges and expenditures of the Public Service, from the first day of April," instant, "not otherwise provided for, and being one-sixth of the amount of each of the several items to be voted, set forth in the Estimates for the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-five."

Hon. Sir JAMES LOUGHEED: Honourable gentleman, it may seem somewhat unusual for me to enter upon any discussion of this Bill at the moment; rather because of the practice which has obtained in this House for some time, of the Senate permitting the Supply Bill to go through almost in silence. My honourable friend very properly said the other day that it had been customary to give the three readings to a measure of this kind without any discussion, so that the

Administration might become possessed of the necessary funds for the carrying on of the Government of the country. At the same time, notwithstanding the practice which has been followed in the past, the Senate is not absolved from the duty of giving serious attention to Bills of this character. We would not hesitate to give the closest attention to any Bill coming up from the Commons dealing with any matter other than finance. According to the practice of this Chamber, we are not precluded from giving the same attention to financial measures. It has been the recognized policy of this Chamber not to amend financial Bills, and we quite concede that we have not the right to originate financial measures. At the same time, it is the right of this Chamber, and it is a peculiar duty from which we cannot absolve ourselves, to criticize or to point out to the country those abuses which in our judgment should be rectified. The financial Bills which are presented in this Chamber from time to time by the Government, in the form of Estimates or of Supply Bills, are the most important legislation which comes before Parliament. No other legislation submitted to either Chamber will compare in public importance with that involved in the ordinary Supply Bills. For reasons which I am about to point out, it seems to me that we should be derelict in our duty if we accepted Bills of this character hereafter without closely scrutinizing them, without criticizing them, without expressing our opinions in the freest possible manner as to the wisdom of voting from time to time such moneys for public purposes.

It is only on an occasion like the present that we can deal with a measure of this kind. My honourable friend (Hon. Mr. Dandurand) intimated the other day that when the main Supply Bill would be presented to the Senate we might discuss it to the extent warranted; but I need hardly point out to this House that it has been the practice in the past, and will be the practice in the future, to present Supply Bills at the eleventh hour. Invariably they come down when the public are in the gallery, and His Excellency the Governor General is in the offing waiting to prorogue Parliament. From the experience which we have had in the past, whether sitting on one side of the House or the other, we know very well that this Chamber has no opportunity to discuss the Main Estimates unless we take advantage of an opportunity such as that which we are embracing at the present moment.

From Confederation down there has never been a time in the history of the Dominion—and I say it advisedly—when public attention was so riveted upon the expenditures being made by the Government of the day as it is at the present time, and within the four corners of this Bill are to be found the expenditures which are being criticized throughout the Dominion of Canada. For the Senate to sit idly by and accept the Estimates as they are being presented to-day, as found in this blue book, without expressing our judgment as to the wisdom or the unwisdom of them, would, I say, be a manifest dereliction of our duty. I need not tell honourable gentlemen that there has been a protest throughout the whole of this Dominion against excessive taxation; and that protest has not been limited to the political party sitting to the left of the Speaker, but has been voiced quite as loudly by those who have been in the past in harmony with the present Government. That protest has been voiced throughout the Dominion by the most representative organizations in this country—by, in fact, most of the business and financial organizations, so far as they could give expression to their views by resolution and otherwise. Taxation is determined by expenditure. I need not say that to my honourable friend. No one knows better than my honourable friend who is leading the Government that the burden of taxation placed upon the shoulders of the people is entirely governed by the expenditures which are to be found within the pages of this blue book known as the Estimates for the present fiscal year. Therefore it is not unreasonable for me to ask honourable gentlemen to give some attention to these particular items, to ascertain whether or not the Government is making a sincere endeavour to enter upon a policy of retrenchment in expenditure, so that there may be a complementary reduction of taxation.

In the Speech from the Throne the Government of the day took the opportunity to emphasize the fact that the Budget of the present Session would be balanced—something which had not happened since 1913. Great expectation was aroused throughout the country, particularly among the people who are bearing the burdens of taxation, at this announcement made by the Government. Expectation was worked up to the highest point, in anticipation of the Government bringing down Estimates which would show a reduction in expenditure. This would not have been unreasonable on the part of the Government of Canada. If there is any duty resting upon the Government of to-day it is that of reducing substantially the expenditures of this Dominion, with a view to reducing our taxation and our public debt.

I and others here have already pointed out that all our allies in the late war—the United States, Great Britain, the Overseas Dominions

of Australia and New Zealand, France herself —have all substantially cut down their expenditures; not only have they done so, but they have considerably reduced their public debts. Yet we go merrily on, merrily on, giving not the slightest attention to the fact that we have passed through the most critical war known to history. Taxation and expenditure have been pyramided upon taxation and expenditure. Yet up to the present time—I say it advisedly, honourable gentlemen—there has not been the slightest effort on the part of the Government to introduce a policy of retrenchment or reduction of expenditure, or to give any consideration to the reduction of taxation. When I make this statement in this emphatic way, I do not make it from a partisan standpoint. Honourable gentlemen on the opposite side of the House know as well as I do that my statement is correct. We are the only national entity, so far as I know, among those who entered the war on our side, that has done nothing in the way of reducing its public debt or reducing its taxation.

Hon. Mr. DANDURAND: Since 1918, since the end of the war.

Hon. Sir JAMES LOUGHEED: I am coming down to the present time.

Hon. Mr. DANDURAND: But my honourable friend, regardless of party consideration, says that since the end of the war we have not done as we should have done.

Hon. Sir JAMES LOUGHEED: My honourable friend knows, as I pointed out in the discussion upon the Address, that the late Government was essentially a war government; that up to the time we went out of office we were engaged not only in conducting the war, so far as Canada was concerned, but in meeting all our obligations incident to the war. Up to the time of the accession of my honourable friend to office, that Government had not the opportunity of carrying out, as I am sure they would have done had they remained in office, a substantial reorganization of the Public Services and a reduction of expenditure and likewise its complementary reduction in taxation. I pointed out a short time ago that Great Britain, notwithstanding the almost overwhelming obligations she assumed in the war, had entered upon a campaign of debt reduction to an extent that it is hard for us to appreciate. I find from recent cables that for the last fiscal year, ending March 31st, the expenditures in running the Government of the United Kingdom were £50,000,000 less than the total income, and in 1922-23 there was a saving effected of £101,000,000. I ask my honourable friend to show us that, even under the present Estimates, we have effected any saving whatever.

Let us see whether this boast of balancing the Budget and of reducing expenditure has any foundation in fact. It has been pointed out—and I think we shall be agreed upon this figure—that in the Main Estimates there is a reduction, in round figures, of $27,000,000, in comparison with the Main Estimates of last year. The Government has declared with great pride that this reduction in expenditure is an earnest of the policy upon which they have entered. Now let us analyze that statement and see to what extent this Government has really reduced its expenditure; that is, expenditure which it was within their power and authority to reduce. It will be found that decreases about which my honourable friend has so proudly boasted, and which were foreshadowed in the Speech from the Throne, are reductions which would have occurred automatically. Of the $27,000,000, representing the reduction of the Main Estimates as compared with those of last year, let me point out three items that in any event would not have been placed in the Estimates and that necessarily brought about the reduction mentioned.

The Canadian National Railways have asked for $19,335,576 less than last year. Here we have in one item over two-thirds of the decrease. Owing to the completion, or the approaching completion, of the Soldiers' Civil Re-establishment and Soldiers Land Settlement duties, which are all of a temporary character, there will be an expenditure of $6,114,996 less than last year. In addition to taking advantage of those two items, the present Government is exercising its cutting-down powers by withdrawing $1,269,000 from the Federal grant to agriculture. Along these lines this Government is carrying out its extraordinary policy of alleged retrenchment. These three items, honourable gentlemen, make up the boasted reduction of which it speaks.

But the Government has gone further. It has made most commendable institutions suffer by reason of this thirst for false economy. Take, for instance, the Canadian Tuberculosis Association—the Government has cut $5,000 from the grant to that Association. This saving will enable it, I presume, to put this additional amount into the pork-barrel.

Then, they have cut off $339,000 from the Immigration grant. Honourable gentlemen, if there is a grant made by the Government of Canada that is really necessary to the promotion of the very best interests of Canada, it is the Immigration grant. If this

country is suffering from anything to-day, it is want of population. There is a condition of stagnation in the West, as honourable gentlemen know, all owing to the fact that our people are going to the United States, and that their places are not being filled by the carrying out of a vigorous immigration policy. Notwithstanding the fact that Canada is suffering from want of population more than anything else, yet, for the purpose of carrying out this vaunted boast of theirs, this amount is cut off.

Then, $1,114,000 is cut off National Defence.

Hon. Mr. DANDURAND: Does my honourable friend condemn that cut also?

Hon. Sir JAMES LOUGHEED: I do not condemn it, but I say that these are not the fields in which to practise this so-called policy of retrenchment that my honourable friends are boasting about. If retrenchment is to be carried out, let it be carried out in those fields where it can be advantageously carried out.

Hon. Mr. DANDURAND: My honourable friend will indicate them, I am sure.

Hon. Sir JAMES LOUGHEED: If my honourable friend will look at the Estimates—

Hon. Mr. DANDURAND: My honourable friend must be constructive in his suggestions.

Hon. Sir JAMES LOUGHEED: If the honourable gentleman will permit me, I will be constructive. If my honourable friend will go through the Estimates for the present fiscal year, he will find that the pork-barrel estimates are quite as numerous and quite as generous as they have ever been in the past. Large sums are being expended in every part of this Dominion, unnecssarily, needlessly, recklessly. There has been no attempt on the part of the Government to cut down those most objectionable items which are plunging this Dominion into a condition of indebtedness from which it is almost impossible for us to extricate ourselves. If my honourable friend will look at the Harbour and River appropriations which have been made for the purpose of keeping the party solid, he will see where very substantial reductions could have been made.

Hon. Mr. DANDURAND: I thought they were to keep those public works solid—maintenance work.

Hon. Sir JAMES LOUGHEED: I imagine the Government of the day looks upon itself as the greatest public work in the Dominion, and is therefore fortifying itself in this way and by this expenditure.

What I do object to, honourable gentlemen, is that the Estimates which have been brought down here show a total absence of anything like design or policy on the part of the Government. Since public sentiment has protested against the excessive expenditure under which we are labouring and the excessive taxation which we are carrying, there has never been the slightest indication that there has been any intelligent design worked out by the Government for the purpose of cutting down expenditure. Nothing short of cutting the Estimates $40,000,000, or $50,000,000 for the next five years will satisfy the people of this country; nothing short of reducing taxation so that the people of this country will stand on a parity with the people of the United States will satisfy the people of Canada. The excessive taxation under which we are labouring to-day is a national calamity from which we are feeling the consequences daily. It is utterly impossible for the Dominion of Canada, lying, as it does, alongside a nation of 120,000,000 people, the greatest organized nation in the world, to hold its own against that highly-organized industrial, commercial, and financial community when our taxes are substantially higher than theirs.

The migration of Canadians by the hundreds of thousands during the past couple of years has been due to the excessive taxation the people of Canada are bearing. Until the Government will sit down and give serious thought to working out an intelligent policy of reducing our taxation, national disaster and calamity will be our fate.

The Government has taken considerable unction to itself for saving a paltry sum like $369,750 on account of the Civil Service. This is a paltry thing, honourable gentlemen; yet this Government has taken remarkable credit for the reduction which it has made along this line. At the same time, while with the one hand it has dismissed public servants, and thus saved the salaries of those dismissed, with the other hand it has ordered an upward revision of salaries which will of course absolutely absorb the saving of which it has already boasted.

And may I point out another extraordinary thing which I venture to say my honourable friends themselves will agree with, namely, that if it were not for the change in our financial system last February, by which the Canadian National Railway finances were taken out of the public Estimates and made chargeable in an account entirely apart from the

Estimates, this Government would be facing a deficit during the present year. If they followed out the same system of bookkeeping as the late Government, this $50,000,000 of bonds which last year were sold in behalf of the Canadian National would appear in the Estimates. I need not point out to honourable gentleman that if that had been the case, the Estimates would have shown a deficit of about $35,000,000, instead of the Budget balancing itself. As yet, honourable gentlemen, it is too early to boast that the Budget will be balanced. The Supplementary Estimates are yet to come. Last Session the Finance Minister expressed the hope that he might be able to limit the Supplementary Estimates to $15,000,000. They exceeded $20,000,000. My honourable friends, in balancing their Budget to-day, are doubtless counting upon the Supplementary Estimates not exceeding those of last year. "We shall wait and see." I fancy my honourable friends will not then be so boastful of being able to balance their Budget as they were when the Speech from the Throne was delivered.

I have taken a longer time than I intended in directing the attention of the House to some of the items appearing in the Estimates. But I would again repeat what I said in the beginning, that I consider it the duty of this Chamber to scrutinize the Estimates as closely as we would scrutinize any legislation that might come from the House of Commons, and there has never been a more opportune time—a time when the country expected us to do it more closely—than the present time. Therefore I say that the more one will peruse the Main Estimates which have been brought down the more he will be disappointed, not only at the absence of all effort to substantially reduce expenditure, but at the seeming incapacity of the Government to bring about such a result.

Hon. Mr. DANDURAND: Honourable gentlemen, I intend to say very few words in reply to my honourable friend's remarks. He has stated that the expenditure has been most extraordinary. May I say that that expenditure was inherited by the present Government from the Government which my honourable friend adorned. He states that the time had not come for his Government to start work with the pruning knife. This Government apparently had the duty of doing so. My honourable friend did not do so.

I confess that I was somewhat discouraged when faced with that formidable load left by my honourable friend and the Cabinet to which he belonged. I did not see at what date the Budget could be balanced, at what date we could cease borrowing to meet our yearly expenditures; and if within thirty-six months of the swearing in of the present Government we have succeeded in balancing the Budget and have begun reducing the expenditure, I think we have done something for the country.

My honourable friend has criticized what? He has criticized some of our reductions. When he rose to discuss these Estimates, I thought he would open up some page of the bluebook and say that this expenditure or that was useless. I thought with him that the time was opportune for the Senate to raise its voice in trying to indicate to the Parliament of Canada, which is to-day studying each and every one of these items, where we should be able to economise. Instead of that, he has criticized the reduction in the grant for tuberculosis. Well, it was a small amount, but the Government was bound, if it could, to reduce every expenditure in order to bring about that equilibrium to which we all aspire, and that sum of $5,000, while it is a small one, is an intimation to the provinces that what belongs to them will be given to them.

We have also done away with the grant to the provinces for agriculture. Why have we done so? Because, if we had not, it would have entailed the borrowing of money to make those gifts, and some of those provinces did not need the Federal Government to go into debt to give them that bounty. The provinces will hereafter have to bear that load. The provinces did not bear the $2,000,000,000 load for carrying on the war. The Federal Government did. It went into heavy expenditures, and it has taxed the people heavily, and it is its primary duty to establish equilibrium by reducing that load on the shoulders of the people.

My honourable friend says: "You have cut the grant to Immigration by $239,000." Has he criticized an expenditure? No, he is again criticizing a reduction, and he says it is at a time when we need immigration.

I will judge of the work of immigration by the result and the result will be shown by the numbers of immigrants the ships carry to our shores. I know that there are parts of this country where it is said we should make efforts to retain our people and should not allow our bone and sinew to cross the line to the South, and replace them by raw material that must be Canadianized. I know the arguments; but I say that if we have lost a million people in a certain number of years, at all events we have evened up by bringing in another million. If this had not been so, we would be short 2,000,000 of population, and not 1,000,000. We are opening the door as wide as we can judiciously in order to

bring here that population of Europe which wants to better its condition, and a portion will remain with us; but so long as salaries in the United States in certain lines of activity are double what they are in Canada, shall we be able to retain our population here? I have examined into some cases, and I can understand that families would be enticed to the other side because of the better opportunities offered. Nevertheless, I agree that immigration is of importance to this country, and that we must make an effort to obtain it.

There are some who say, "Why should we bring in strangers whom we have to assimilate?" But at the same time they cry out that our railways have deficits which must be met, and that this country has an immense debt which must be paid. Surely there is no other way of easing the situation or bettering conditions than by increasing our population; and I hope the thousands of people who come to this country will do well.

I am not one of those who believe the Western farmer cannot make a success of his farm. I believe the conditions are somewhat difficult at the present time, but the situation will gradually better itself, and the world will gradually return to normal conditions.

My honourable friend says: "You have cut the Defence grant by $1,114,000." Did he commend that action? No, he condemned it. That is a reduction. If he condemns the reductions we have made, at least let him state in what direction we should have made reductions. Surely when we are carrying a burden of $2,000,000,000 of debt brought about by a military effort unprecedented in history, we should be entitled to reduce our military establishment when we are threatened from nowhere. This is one of the unproductive expenditures that we can reduce, and I think we should be commended for the act, and not criticized.

My honourable friend says: "You have reduced the Civil Service estimates by $360,000." I stated on the motion for the Committee on the Civil Service that it was my opinion that we should pay the Civil Service a fair remuneration, but that we should limit the Service to the exact number required; that if we had thousands of employees too many, they should be dispensed with in some way or other that would not be cruel, and that the Civil Service should be re-established on a normal basis. When we have brought the Civil Service to a fair and efficient minimum, then I am ready to look into the salaries and see that the men who serve the state are as well taken care of as those who serve the large corporations throughout the land.

Now, my honourable friend speaks of the pork-barrel. He has been in touch with departmental affairs much longer than I. For a certain number of years he had to carry on as a Minister of a Department, but he is now in the happy position of being able to criticize, to preach virtue without having to practice it, Yet the government of the country must go on. Millions and millions of money are being spent in public works which must be maintained when the Minister of Public Works says he has a report from his engineer, resident or local, stating that $1,000 here or $2,000 there must be spent or those works will seriously detoriorate. Surely we cannot stop and say: "We will spend nothing; we will economize." That would be very poor economy indeed; but I may tell my honourable friend that as far as my own wisdom and experience go, a legitimate effort is being made day by day for a reduction in expenditure.

The other day I read in a newspaper an interview with one of the leaders on the other side, the leader of the Progressive party, who when asked his opinion on reduction in expenditure, said: "Everyone is for expenditure at his neighbour's expense; no one is for a reduction at his own door." Manitoba wants the Hudson Bay railway; Toronto wants the viaduct terminal; Montreal wants a bridge; everyone who sees something which will be to the advantage of the community in which he lives thinks that that should be attended to, and that everyone should practice economy but himself. We all know that situation, but let us live with the hope that the necessity which faces us will keep our attention fixed on the importance of re-establishing an equilibrium, of reducing taxation in order that we may offer the immigrant as good an opportunity as he would find in the United States.

With these few remarks, I beg to move the second reading of this Bill.

Hon. Mr. BENNETT: Honourable gentlemen,—

Hon. Mr. DANDURAND: I thought I was closing the debate. I looked around to see if anyone wishes to speak. I think my honourable friend is too late.

Hon. W. B. ROSS: I did not understand that.

Hon. Sir JAMES LOUGHEED: I did not understand that either. When my honourable friend moved the second reading of the Bill he made a speech. I think my

honourable friend was entirely out of order in making the reply which he did, because that was the speech which he evidently intended to deliver on the Bill. If I had known that my honourable friend was under that impression I would have pointed out to him that several honourable gentlemen wished to speak on the subject.

Hon. Mr. DANDURAND: I cannot refer to the rule, but the practice in this Chamber has been for the mover of a motion to reply and close the debate. Acting upon this practice, I looked around to see if anyone desired to speak.

Hon. Sir JAMES LOUGHEED: No; I think my honourable friend was so warmed up to the subject that he forgot to look around, and he proceeded to express himself without doing that.

Hon. W. B. ROSS: I think the Chamber would be quite willing to give the honourable gentleman an opportunity of closing the debate after the others have spoken.

Hon. Sir JAMES LOUGHEED: Yes, we will take a third speech from him. Adjourn the debate until to-morrow.

Hon. W. H. BENNETT: After the challenge of the leader of the House that no person could place his finger on any item of these Estimates that should not be there, one has almost to respond to the challenge. I may tell the honourable gentleman that when I spoke on the Address, had I these Estimates, that were issued after the Auditor General's report, I should have made further remarks than I did on that occasion. I told the honourable gentleman at that time that he was squandering the people's money at a time when the country was harder up than it ever had been. I challenged the honourable gentleman to rise and defend in his person, or by any superior of his, the disgraceful, outrageous purchase of a building on Sussex Street, in this city, when they had a third of a mile of vacant stores here. The honourable gentleman asked for the name of the building, and he got it. I suppose he has gone to his confreres and asked them about it, and he is ashamed to rise in this House and defend that scandalous purchase.

Hon. Mr. DANDURAND: I may tell my honourable friend that I asked the honourable Minister of Public Works about this purchase, and he explained that the land that was at our disposal could not be utilized for that purpose. I will ask him for a memorandum explaining fully, and I hope to the satisfaction of my honourable friend, the reasons for the purchase of that property.

Hon. Mr. BENNETT: As I said, these Estimates were not down when the Address was debated, and one had not an opportunity of seeing what they were. And now what do they contain? As has been indicated by the honourable leader on this side of the House, it is the old game of this Government playing politics and making investments that are tainted with suspicion. The honourable gentleman will not dare to stand up in this House and defend the iniquitous purchase of the so-called Paris Hotel—why? Because he cannot reconcile himself to the statement made the other day by the Minister of Railways and Canals that it was a mistake. Yet to-day this country, at a time when it needs every dollar for necessary works, is spending $3,000,000 in the city of Paris on that building which we do not require. Who ever heard of emigration from France to this country? The honourable gentleman knows there is none; and yet to-day this Government is going to make an investment of upwards of $3,000,000 on the purchase of that building in Paris which the country does not need, and which one of my honourable friend's colleagues in his place in the House said should never have been bought.

Hon. Mr. DANDURAND: Will my honourable friend allow me—

Hon. Mr. BENNETT: Yes, I can state what my honourable friend was going to answer, that is, that the National Railways are making the purchase.

Hon. Mr. DANDURAND: That is part of the answer.

Hon. Mr. BENNETT: I knew it would be.

Hon. Mr. DANDURAND: But that is the fact, and confirms anything that may be challenged. It was not purchased by the Federal Government; it was purchased by the Canadian National Railways.

Hon. Mr. LYNCH-STAUNTON: Paid for by the Canadian Government.

Hon. Mr. DANDURAND: Paid for by the Canadian National Railways.

Hon. Sir JAMES LOUGHEED: And we had to give them the money.

Hon. Mr. DANDURAND: We did not give them the money for the purpose of that purchase, but ultimately, if there is a deficit, the country will have to pay that amount. But I think it would be fairer for this Cham-

ber, which stands above the petty political and party quarrels, to await an explanation of the whole transaction by the Canadian National Railways themselves. That will be done to the thorough satisfaction of both branches of Parliament, I am sure, and then we may discuss, with open eyes and the clear facts before us the whole situation. As a barrister I do not think my honourable friend should pass judgment on an incomplete record. If my honourable friend will await the record, then we may examine it together intelligently when we have the statement of the Minister of Railways.

Hon. Sir JAMES LOUGHEED: Would my honourable friend, before he sits down, give us his opinion on this phase of the matter. He says that the Government of Canada is not paying for it. We are advancing to the National Railways in these Estimates nineteen millions and some odd thousands. If the Hotel Scribe had not been purchased, I suppose we would have been advancing to them some sixteen millions.

Hon. Mr. DANDURAND: Certainly, if there had been no deficit, the Canadian National Railways would be carrying the expenditure. I suppose the country has to carry the deficit. I answered the question of the honourable member from Hamilton (Hon. Mr. Lynch-Staunton) as to the Government furnishing the money, by saying no, the National Railway furnished the money; but in the deficit for the year our sum will be increased by the price of that building.

Hon. Sir JAMES LOUGHEED: We are paying for that building out of these Estimates.

Hon. Mr. LYNCH-STAUNTON: Ought we not to discuss that question when we are passing the Estimates relating to it?

Hon. Mr. DANDURAND: Would my honourable friend say that that amount is comprised in the total we are giving?

Hon Sir JAMES LOUGHEED: I say yes, we are advancing them $19,000,000. The Hotel Scribe cost approximately $3,000,000.

Hon. Mr. BELCOURT: Are the details of the $19,000,000 given there?

Hon. Sir JAMES LOUGHEED: No. It is quite manifest that if they pay out of the National Railways treasury $3,000,000 for that hotel, they come back to the country for that amount of money.

Hon. Mr. DANDURAND: My honourable friend has no doubt that this matter will be fully ventilated elsewhere. Then we will be seized of the facts, and we will draw our own conclusions.

Hon. Mr. BENNETT: I address myself to the honourable leader of the House, who says we are talking party politics. I may say this, that I never knew a time in the history of Canada when a member of Parliament was not expected to discuss the expenditures of this country, and I never knew a time when it was more necessary to do so. We are at a period when trucking and trading between the political parties is going on in the other Chamber in order that the Government may maintain themselves in power; therefore this matter should be discussed in this House.

Why should the Government, with indecent haste, rush over to London and purchase there a building costing a million or a million and a half, when another million will have to be expended on it? Surely there are things to be done in this country, where money could be much better spent than over there. The business of Canada has been conducted in England in the offices we had. What is the Government doing over there except increasing the staff that they keep up, while certain politicians over there are holding high offices as rewards? We have the case of one gentleman taken from the House of Commons and rewarded over there with a salary of $7,000 a year. The Government had a Secretary and a staff there that were able to carry on all the business.

This is a specimen of the reckless expenditure that is going on in this country, and the honourable gentleman says, "We preached virtue, but now we fear we cannot carry it out." That is the trouble with this Government: they made so many promises that the people took them at their word, and expected there would be something done along the line of their promises. That is what they are now confronted with, in the country.

There has never been more reckless expenditure than has gone on in the past year on the most absurd items. I have repeated time and again, and no one can challenge my statement, that on Wellington Street in this city there is a whole string of buildings, and a very little expenditure would put many of them in order for Government business; yet what is this Government paying to-day? It is paying in this city of Ottawa $1,450,000 in rents.

Hon. Mr. DANDURAND: Is that an increase over 1921?

Hon. Mr. BENNETT: The honourable gentleman always consoles himself with that

reflection—that it is not an increase. There should be a decrease, that is what they promised.

Hon. Mr. DANDURAND: Certainly.

Hon. Mr. BENNETT: If the honourable gentleman's friends had gone through the city of Ottawa and said, "We are going to rent Tom, Dick and Harry's buildings all over this city when we get into power," they would not have got many votes on that platform; but the honourable gentleman must remember that the expenditure for rents in Ottawa running up to $1,450,000 is very different from what conditions warranted during the time of the war. To-day you have clerks standing around in these offices; nothing doing in the Public Works Department, and others. True, you are dismissing some of the clerks, but there was no reason why you should have gone on as you have done, renting new buildings in this city from party friends and purchasing from your party friends property that you did not require.

Hon. Mr. DANDURAND: Has there been increased rental in the last few years?

Hon. Mr. BENNETT: In the aggregate.

Hon. Mr. DANDURAND: In Ottawa?

Hon. Mr. BENNETT: There are new buildings being rented. You have an item here of $1,450,000, which was the same as in the prior year; but what I say is that the public expected you were honest in your professions that you were going to decrease these amounts, and now you pride yourselves that you are not honest, that you have not done what you promised to do, but say you have hopes that you may do it at some time to come.

Now, let us go on a little further with these matters of expenditure. This government has run right on throwing away the money of the people of Canada, as is shown to-day in the Auditor General's report, and by answers to questions propounded in the House of Commons.

Hon. Sir JAMES LOUGHEED: Before going into the Auditor General's Report, call it 6 o'clock.

Hon. Mr. DANDURAND: Could we not sit to-night?

Hon. Sir JAMES LOUGHEED: Just as you like.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. BENNETT: Honourable gentlemen, as I stated before 6 o'clock, I rose chiefly to protest against expenditures that are disclosed in the Auditor General's Report and also now in the Estimates. When I spoke on the Address I referred to matters that were mentioned in the Speech from the Throne. I wish to call the attention of honourable gentlemen to one particular clause in that:

> My Ministers are strongly of the opinion that a reduction of taxation is of first importance, and that to this end the efforts already put forth to combine strict economy in the administration of the public services with rigorous retrenchment in public expenditures, should be furthered in as many directions as may be possible.

With those words still ringing in our ears, surely the honourable leader of the House ought not to have demurred this afternoon at my indulging in what he called party politics. The Government have placed that as a programme before the people, and the people have taken them at their word. According to the record, in the past year, when they were supposed to be devoting themselves to economy, they were adding some of the expenditures of which I am going to complain, and were proposing others.

My honourable friend this afternoon referred to one matter to which attention has since been called by an honourable gentleman; that was the question of Militia expenditures. The question of retrenchment in that service is altogether too large to be now dealt with. Whether it is commendable or is not, we all hope that the war periods are at an end and that there may be retrenchment in that respect. But I want to say this, that no person anticipates or expects from this Government any consideration for the Militia forces of Canada, because the Militia forces have always been the butt of these honourable gentlemen. They have never turned a friendly ear to the Militia. And what do I see to-day in an order appearing in the Canada Gazette, relative to the wearing of military uniforms by men who have been, and are perhaps to-day, in the service? Everybody knows that when men returned from the front their uniforms in many cases were badly tattered. A generous country might well have considered that and said: "You men having those old clothes may wear them". It has been a pretty hard winter. I do not know what the honourable gentleman has found the condition to be in the Province of Quebec, but I may tell him there have been hard times in the City of Toronto, and had it not been for the generosity of the public spirited and kind hearted citizens there, who magnificently subscribed the sum of $500,000, to be spent in

a most careful manner amongst the poor, there would have been a great deal of hardship encountered by the men there out of work. It may be that in wearing the old coats the returned man was wearing it to keep the cold out of his bones. But this kindly disposed Government issued a Militia Order under date of the 20th of November. I will not read it all. After reciting the circumstances it declares:

The wearing of any uniform or article of military clothing, except on those occasions and under those circumstances as set forth in the Militia Act, the King's Regulations and Orders, and in any Militia Order which is or which may hereafter be issued, shall be deemed to be unauthorized.

And in another place it goes on to declare that a man who is found wearing one of those old coats which he had worn over in Europe is liable to a fine not exceeding $300.

Hon. Mr. DANDURAND: Who issues that Order?

Hon. Mr. BENNETT: Why, it is issued by His Excellency the Governor General in Council, and the Order would come of course from the Militia Department or the Minister of that Department.

Hon. Mr. DANDURAND: On the recommendation of General MacBrien.

Hon. Mr. BENNETT: There is the old story. When anything is done that is wrong, then it is somebody else who does it. When the Canadian National Railways buy a hotel in Paris the Government is powerless—"what can we do?"

Hon. Mr. CASGRAIN: They did not even know about it.

Hon. Mr. BENNETT: Nothing is left for the country to do but pay the bills.

Hon. Mr. DANDURAND: The National Railway is your child.

Hon. Mr. BENNETT: It is no friend of the honourable gentleman opposite anyway; I would say that.

Hon. Mr. DANDURAND: We found it on our doorsteps.

Hon. Sir JAMES LOUGHEED: You seem to be bringing it up just now.

Hon. Mr. BENNETT: The only thing that the Government have as their stock in trade to-day, when they go before the public of Canada, is the wonderful success they have made of the National Railways. That is the only thing they can boast of.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BENNETT: They cannot boast of their changes in the tariff, because they have not made any yet; and they are going to be frightened out of making any, too.

Hon. Mr. DANDURAND: Wait and see.

Hon. Mr. BENNETT: Now, this is a wonderful Government, and it was at one time said that they had a strong man at their head. Well, I will admit this, that the Premier has been asserting himself a bit of late. It is true he was overshadowed a year ago, when he had the then Minister of Justice, and the kind offices of the present Minister of Finance, Mr. Fielding. Now he is by himself—free to do as he will, and to throw out his chest as far as he wishes.

What happened last summer? The annual meeting of representatives of the Colonies was held in Great Britain. I am glad that the Premier of Canada went to that meeting, to act in concert with them as to the lines of policy to be followed by the Overseas Dominions and Great Britain. We had all heard the vaunting of the Premier. We had all heard the fulsome laudations that had been showered upon him by a subsidized press. We had read such newspaper articles as a testimonial given by Mr. Choquette, a former member of this House, who happened to be in England at the time. Although I have not the clipping, this is what Mr. Choquette said: "The greatest man in the world to-day, practically, and the greatest man at the councils of the nations, was the Premier of Canada. Speaking of eloquence, Laurier at his best never surpassed him. Speaking of ideas, he was wonderful. He was the greatest of them all." Well, Mr. Choquette knew the man of whom he was talking, and, as there is a vacancy for a Senatorship in the Province of Quebec, probably Mr. Choquette thought it was well to throw a little adulation at the Premier.

What have we heard about the Premier? We have heard all those assertions as to what a wonderful man he is. Though not a trained lawyer, he had constitutional law at his finger ends. Why, he had written books. He had not confined his life to Canada: he had travelled the United States, and, as one might read in an interview given by him to a correspondent—I think for the Saturday Evening Post about October last—I am sorry I have not the report here—he was a man who performed miracles when he went over to the United States and escaped the draft in this country.

Now he was going to England. Here he was, the skilled diplomat, the man who, as I said before, had constitutional law at his

finger ends, the man who would be master of all who might assemble at the board. Who accompanied him? I think it is worth while placing on Hansard the record as to those who did accompany him. The other day a return was brought down in the House of Commons in answer to an inquiry, and here is some information as to the gentleman in his entourage; for he seems to have suffered from "cold feet" when he was about to start for England and encounter the big men. There was Commander Hose, who cost the country $1,468. His secretary, Mr. Agnew, $337. There was General MacBrien, $1,776. There was General MacBrien's secretary, Captain Cummins, at an expense of $1,143. There was Colonel Ryde, at an expense, for services, of $3,966. There was Professor Skelton, at a cost of $6,250 for services and $845 for travelling expenses. The cost is upwards of $18,000 to $20,000. Here was this great diplomat going over there accompanied by Professor Skelton, whose claim to distinction is the fact that he wrote a book on the life of Sir Wilfrid Laurier; but I have yet to learn that he was known as a constitutional lawyer or a man versed in the strategy or art or skill of politics. Yet he goes over there at this cost of $6,250 for his services and $845 for his expenses.

Hon. Mr. ROCHE: Did not that prove his skill?

Hon. Mr. BENNETT: Yes, he proves his skill.

Hon. Sir JAMES LOUGHEED: In drawing public money.

Hon. Mr. BENNETT: In drawing public money. But there is little skill required in that, with this Government, as I will show later on. That is simply following a common practice that was inaugurated when this Government came into power.

I notice by the bluebook, the report, that the proceedings there lasted forty-five days, because they opened on the 1st of October and ended on the 14th of November. So Mr. Skelton must have drawn down an average of about $140 a day for his services. But here is the point: the statement has gone out in the public press, it having been anticipated probably that this fact would come out, that Professor Skelton was paid only $50 a day besides his expenses. If the total payment is figured out at $50 a day, then Professor Skelton was missing for 80 odd days. Where was he all the time?

Hon. Sir JAMES LOUGHEED: He was getting ready.

Hon. Mr. BENNETT: Getting ready. The honourable gentleman anticipates me. Why, at this palatial residence of the Prime Minister up in the hills—Kingsmere, I think the place is called—they were closeted night and day making up the speeches that were to be delivered, doubtless, by the Premier when he got to England.

That is not all. According to this return, when they reached England they had the services of Major Bell, Mr. F. C. Blair, Dr. Camsell, Mr. Coats, Dr. Doughty, Mr. Grisdale, Mr. Duncan Marshall, Colonel Smith and Mr. Harrison Watson. In extenuation of this lengthy list, no expenses are placed opposite their names, because of the fact that they said they were over there on other services.

Well, honourable gentlemen, let us have the real thing in Canada for the future. When we have a Prime Minister who is to be sent abroad, let him go on his merits, and not with a battalion such as this honourable gentleman had to support him and stand at his shoulder. It costs too much to have a Premier of the stamp and style of Mr. Mackenzie King. We ought to have a man who is better fitted for the position. No man knows his own delinquencies and shortcomings better than the man himself. That is my experience, and I think it is the experience of every man. Therefore we can understand how Mr. Mackenzie King, the Premier of Canada, when he was about to go overseas, said, with fear and trembling and knocking at the knees: "If I am to go I must have an entourage." Now let us hear no more of this boast of what a wonderful man the leader of this Government is.

Let us pass on to this book, the Auditor General's Report. Since this Government came into power there has been a raid on the Treasury by every man who thought he had any influence there that he could work. Resurrected from what was supposed to be his last long political sleep, we see Mr. W. T. R. Preston down here on Commissions, one after another. You can see by an answer given the other day that he had drawn several hundreds of dollars; and I have no doubt he is still amongst the employed.

But, above and beyond all others, there is shining one particular star, Mr. Duncan Marshall. Remember, the watchword of this Government was "strict economy," but that was thrown to the winds by Mr. Mackenzie King when he took his battalion along to act as his defenders over in England. Since this Government came into power, according to a return of Parliament, Mr. Duncan Marshall has drawn $11,774 for salary, and $7,863

for travelling expenses, or a total of $19,630. Now, I ask my honourable friend who leads the Government, what has Mr. Marshall been doing? He cannot tell! It is true he was over with Mr. Mackenzie King. I don't know what he was doing. He was an agriculturist, a defeated candidate in the West. And Mr. Duncan Marshall on more than one occasion during that time has been doing nothing more nor less than addressing Liberal meetings in the province of Ontario.

Hon. Mr. DANDURAND: If my honourable friend would put a question as to the doings of Mr. Marshall, I could furnish him with the answer.

Hon. Mr. BENNETT: They are better known and better stated by the honourable gentleman in the House of Commons, who can give day and date where he has been exercising these political proclivities of his. Now, let us have an end of this humbug and this cry of this Government being an economical Government. They are sitting in their places to-day, thanks to the so-called Progressive party. Knowing their life is going to be short, they are going in for a merry one at all events. Stand out here in front of the building any evening and see the battalion of motor cars waiting ready to receive the Ministers. At whose expense are those automobiles furnished? Look into the Auditor General's report and you will see.

Hon. Mr. DANDURAND: They are all legacies from the old Government.

Hon. Mr. BENNETT: I beg the honourable gentleman's pardon, they are not legacies from the old Government. But even if they were, are not these the very things they denounced? But they are not legacies from the old Government. Let me give you an example of one of them: "Department of Interior, Cadillac touring car, at a cost of $5,250." What does the honourable gentleman say to that? That is to be found in volume 2, page 241. Then we find "uniforms and overcoats for chauffeurs, $332." and "gloves, $21." And the people of this country are going around praying for bread. These Englishmen who came down from Toronto the other night asked for some place to put them up, and according to the press the Minister of Labour generously breakfasted some thirty odd of these men, and the Prime Minister offered to look after three of them. It is a wonderful Government when they are not dealing with their own money.

Hon. Mr. DANDURAND: Montreal takes care of its unemployed. Toronto should do the same.

Hon. Mr. BENNETT: These men were not Toronto men; they came from the West, and settled in Toronto because of the fact that Toronto is so good to them.

Hon. Mr. BRADBURY: They do not belong to the West.

Hon. Mr. BENNETT: Let us take another item. Mr. Motherwell, the Minister of Agriculture—and, being an agriculturist, of course he had none of these city tricks, these city ideas, about him—came down here. In volume 1, page 12, will be found the following: "Uniform for chauffeur, $108."

Hon. Mr. DANDURAND: Nothing is too good for agriculture.

Hon. Mr. BENNETT: That is the trouble with the honourable gentleman's friends in this country to-day. While the people are starving, you gentlemen with your big salaries are laughing at them. You know what you experienced in Halifax and Kent, and what you will experience in any riding that you open up.

Hon. Mr. ROCHE: What Halifax?

Hon. Mr. BENNETT: I am glad there is a voice from Halifax. I thought the Liberal party there was dead.

Hon. Mr. ROCHE: We are not all dead.

Hon. Mr. BENNETT: You are a good reviver. Now, here is the up-keep of this Minister's automobile, $2,185.

Hon. Mr. BRADBURY: Not the Minister of Agriculture?

Hon. Mr. BENNETT: The Minister of Agriculture. Then he has the princely indemnity of $10,000 that is paid to a Minister of the Crown as well as his sessional allowance of $4,000; and, living here in the city of Ottawa, of course he is here to attend Parliament and after Parliament is over. But I see that he draws $98.20 for travelling expense coming to the Session of Parliament and returning. Is it any wonder the people are getting disgusted when they see such contraventions of the law as that? Does my honourable friend smile at that? He cannot smile at it, because I tell him the other Ministers are too decent to do it. I don't suppose any Minister of the Crown ever did it before.

Then we will take another item, because I know the House is anxiously waiting to

hear how the Premier gets along. If the honourable gentleman will turn to the Soldiers' Civil Re-establishment, he will find there a new car for $2,000. And another one was pointed out to me the other day as belonging to the Minister of Marine. If any complaint could be urged against it, probably some of his friends would say it was painted blue instead of red.

But there is one who towers above them all, and that is Premier King. The up-keep of his automobile, according to the figures—that is, chauffeur, gasoline, and so on, during the year—amounted to $3,259.

Hon. Mr. CASGRAIN: That is very cheap.

Hon. Mr. BENNETT: Well, he is a cheap man. I will be bound to say that he never paid that much in his lifetime for the maintenance and up-keep of a car at his own expense. Then there is a chauffeur uniform, $152. Then I turn to another part. The honourable gentleman will find in volume 3, page V-72 the expenditure in the Prime Minister's office. I have not been in that office for some time, but I can remember it very comfortably furnished. There was an arm chair in which Sir Wilfrid Laurier and Sir Robert Borden had sat, and everything looked very nice. But when the high and mighty Mr. King moves in, things are not good enough for him. If you go over there to-day you will see the chair he sits in, because I assume he bought it so he might sit in it, that cost the people $112. I have bought some chairs in my time, but I could get a mighty lot of chairs for $112, and so could most of the people in this country. When he has one of his Ministers or some particular friend there he places him vis-a-vis in another $112 chair, and if the company increases its number by four, there are four smaller chairs that cost $330, or a total of $524 for six chairs. I say it is a disgrace at a time when economy should be practised in this country. Does my honourable friend smile at that and applaud it?

That is not the worst of it. Of course, the Prime Minister is a busy man. His time is precious; he has not even time to look at his wrist watch, if he has one, so he has installed, so he can see it with a rapid glance, a red marble dial clock at a cost of $120. Then there are two bronze fixtures, $34,60, and sundries, $35, a total of $713 spent in that one office alone.

Then he has another Department, the Department of External Affairs, and as to some of the expenditures there, I will have to ask some other honourable gentleman to explain. I know this: that in well-arranged houses they have for the purpose of making tea a little hinged tin or enamel ball that opens. It is suspended on a wire or a piece of chain, and that is dropped—I see my honourable friend from De Lanaudière anticipates me; he knows it all, and they are a well-known article—this is then dropped with the tea in it into the teapot and the hot water poured on it.

Hon. Sir JAMES LOUGHEED: Call it a teapot dome.

Hon. Mr. BENNETT: Could any man in his right senses believe that in the office of the Premier of Canada there was installed an electric tea ball at a cost of $18?

Hon. Mr. CASGRAIN: It must be silver. That is very cheap for the teapot and everything.

Hon. Mr. BENNETT: It may be, but it is not much consolation to the people of Canada to think that they have a Premier who asked them to pay for his private convenience to the tune of $18, even if he has to take tea. Then there are two ferns and three jardinières, at a cost of $17. If honourable gentlemen are proud of that, I am surprised at them. I do not object to the Premier drinking tea, even if it is furnished free of charge by his patron, Peter Larkin, the High Commissioner; but I do object to this country paying $18 for this paltry tea ball for the convenience of the Premier of Canada. I am told this is small talk. Of course it is, but we are dealing with a small man.

Hon. Mr. CASGRAIN: That is to receive the Japanese Consul.

Hon. Mr. BENNETT: What I have given you is only a sample of what can be found if you go through the Auditor General's report. Talk about the girls in the Departments not being employed with work, and of their doing fancy work, crocheting or knitting. I don't blame any girl who passes the office of the External Affairs Department and who sniffs the odor of the Premier's tea, and, knowing she can't go in to participate, going back to her knitting.

Here in the city of Ottawa, where the Government is boasting because it is cutting off the heads of men, these disgraceful expenditures are going on. As I said before, in this city no less than $1,450,000 is being paid for offices. Offices are being transferred from buildings which have been rented from men who are not political friends of the

Government to buildings which are owned by their friends. Here is a whole row of buildings, good buildings, and these gentlemen will not take them. My honourable friend said this afternoon: "What can a poor Government do? We have docks from one end of the country to the other, we have public buildings, and our engineers inspect them and report that money must be expended to maintain them or they will be swept away." I agree that in cases of that kind it is very proper that the work should be done. But you are not doing that. You are playing the game of politics, and politics alone, to help you to party advantages. Let me cite a case right in the province of Ontario, because I know something about that province. There is a riding called North York, which is represented by the Premier of Canada, and if you look you will see an item:

Jackson's Point, to purchase and reconstruct a dock, $6,400.

To my own knowledge—because I have lived on Lake Simcoe and have been often at Jackson's Point—the old dock has stood for forty years and more, and no member of Parliament, whether Liberal or Conservative, has ever dared to ask the Government to buy that dock, because the establishment of a Government dock at that point is simply disgraceful. Mulock and Aylesworth as Liberals never dared ask for such a thing. Armstrong, the late Conservative member, dared not ask for it. But the great man King has got slipped into the Estimates this sum for party advantages in his own riding. I do not know who owns the dock, but I think it would be a safe wager to say that it was some good Grit who had performed services for his party.

Take another item. There is the sum of $50,000 in the Estimates for a dock at the city of Oshawa. Any man who knows the city of Oshawa knows that it is on two lines of railway—the Canadian National and the Canadian Pacific—and yet this Government is going to make an additional expenditure of $50,000 to make a harbour there. What do we want a harbour there fore? It is nothing but the pork-barrel. The Government succeeded in winning that riding, and as a reward are going to spend $50,000 there. Oshawa is a growing city; it was incorporated the other day. But this is a time when the Government, through my honourable friend (Hon. Mr. Dandurand), are defending their action on the ground that they are maintaining old works because they want to be economical. Yet here they are embarking on an expenditure of $50,000 at that point, and the estimate does not show what the ultimate cost will be.

Then we come to Pellee Island, represented by the Minister of Railways and Canals, and there is a proposed expenditure there of $66,000. We go to the town of Collingwood, where there is dredging to be done at an expenditure of $30,000. In passing, let me say this: Collingwood is an old shipping town. There is an elevator there owned by the Government of Canada which could handle a great quantity of grain. Why does not the Government take the $50,000 from Oshawa and rehabilitate the elevator at Collingwood and use its own railway line to carry the grain? That would be sound policy. The line is a short one to Montreal with a connection at Barrie and on down to Orillia. But here is this drib-and-drab process going on in order to make the party solid.

Hon. Mr. DANDURAND: I see two items for Collingwood—$50,000. Are they justifiable?

Hon. Mr. BENNETT: Yes, I think they are quite justifiable, but I do say that the Government, instead of buying a dock in Mackenzie King's riding and doing some of these other works, should concentrate at Collingwood and provide business for their own railway system and their elevator there.

Now, I turn the page over to the other provinces, and I see these new wharves proposed all over. In the province of Quebec I see upwards of eight or ten new wharves to be constructed, some of them quite expensive wharves too. Yet my honourable friend justifies all these expenditures on the ground that they are only for the maintenance and repair of old ones. It is not that at all; in many cases it is the other work altogether.

Hon. Mr. DANDURAND: Nine-tenths of these works seem to be repairs.

Hon. Mr. BENNETT: Well, they may be. However, if one leaves a bad apple in a barrel with nine good ones, what is he doing? It is the pork-barrel, pure and simple.

So I could go on through this report. In some cases public buildings are being started, though I cannot place my finger on them just at the present. Yet the Government are playing politics: they are not out for a policy of retrenchment at all; they are simply seeing how many votes they can get in each locality, because God knows they will need them badly if an election should come on.

Hon Mr. DANDURAND: That should not concern the honourable gentleman; he is safe here.

Hon. Mr. BENNETT: But it does; for as a citizen of Canada I want to see a good Government. Now we will come to another line of expenditure. Premier King referred the other day to this when he said he thought the time had come for stopping Government Commissions.

You had a Commission last year to consider the question of the grain rates. You spent probably $40,000 or $50,000 on it. You enacted legislation in order to protect the shipper of grain from the Northwest, and after the law was on the Statute Book this Government would not put it into force—why? Either because they were afraid of the vessel men, or the vessel men had a grip on them. I have here a clipping dated April 21, 1923, when the law was in force, and I will read to you what it says:

> Rates are quoted to-day on the lakes at 6 cents a bushel by the Standard Company. This is the organization in Winnipeg that controls 56 per cent of all available Canadian lake tonnage.

And after this Government had frittered away—because it was a frittering away if you did not propose to enforce the law—

Hon. Mr. DANDURAND: Last April the law was not enacted; it was in June last.

Hon. Mr. BENNETT: Well, there was a disposition on the part of these gentlemen, the owners, to ship at 6 cents a bushel, and I have seen some statements in a paper that to-day while the rates are being quoted from Duluth to Buffalo at 2½ cents, I think it was, there are no rates being quoted at nearly that figure from Fort William to Buffalo, which is an equal distance; and the Government will not enforce the law, and the farmer of the West will be mulcted in excessive costs as he was last year.

Talking about Commissions, you have the one of which Mr. D'Arcy Scott is the counsel at $100 a day. The day goes on, and the day goes over, and $100 a day is dropped into his hands. Well, a good many lawyers in Canada do business for less than $100 a day for a month.

Hon. Mr. DANDURAND: Mr. Tilley had $500.

Hon. Mr. CASGRAIN: And $100 a day when he stopped home.

Hon. Mr. BENNETT: With all due deference to Mr. Scott, I do not think his rating at the Bar is the same as Mr. Tilley's.

Hon. Mr. DANDURAND: Well, there is one to five.

Hon. Mr. BENNETT: There it is, with an expenditure of thousands of dollars on these Commissions, all simply to give pap to their political friends, when the Speech from the Throne says that they are devoting themselves altogether to economy.

Well, the honourable gentleman can peruse at his leisure the Auditor General's report. A very hurried inspection gave me a few of these gems, and I can promise him that if he looks through that report he will find hundreds of others that are equally glaring and equally indefensible.

What this Government needs to do is this—to do business in a businesslike way and on a business scale, and not be frittering away money. Let them go into something big, even if the country will not stand it. I believe the country would stand the expenditure to-day of money on doing many things, even if the money had to be borrowed; but the country is not prepared to expend money along the lines that these honourable gentlemen are following.

This country has the National Railways, and can only make them pay by giving them a good rate on traffic. Let the Government go to work, and in the interests of the Canadian National Railway build elevators on the Georgian Bay. I do not care where they are built, though there is only one real place for them, emphatically, and it is the town where I live. You have a large elevator there to-day, and if alongside of it and in connection with it there were placed another million-bushel storage, you would get the same result that you had with the other elevator last year. The Government had one elevator there of two-and-a-half million bushels; with commendable energy and foresight and good judgment they put an addition to it, and last year, before it was really completed, it was filled to the top, and through that operation you did 60,000 bushels of grain where you had never done 40,000 before. There is an elevator well equipped with power, well situated, but here the Government sits dawdling with money, throwing it away—$20,000 on trips of the Prime Minister to England, $10,000 for a dock here, and $20,000 for another one there.

I would ask the honourable gentleman to take this matter to Council and talk it over seriously and say: "Here, we have on the Upper lakes a great trade to work up; we have an elevator there which if it had an addition would do double the business it is doing to-day." Let the Government wake up

and do business in the public interest, and not in the interests of their friends.

This Government has a line of boats on the Upper lakes. I do not blame Sir Henry Thornton for the way in which those boats have been treated; he may be a superman, but he cannot control every part and portion of that vast system of lake and water transportation. But will the country believe that two of the very best boats that were owned by this Government were put up and sold on a falling market last year into the hands of competitors, to go out and fight their own National boats? Now, that is true. There must be something ulterior when this Government will sell its best boats to its competitors and keep inferior ones.

Hon. Mr. DANDURAND: We have two or three dozen more to sell.

Hon. Mr. BENNETT: Well, I can tell the honourable gentleman he should have sold the worst ones, not the best ones.

Hon. Mr. CASGRAIN: But no one will buy the worst ones.

Hon. Mr. BENNETT: Another thing. Last year the Government of Canada handled thousands of tons of coal at the town of Midland. They had their own vessels tied up at docks in this country, and they would not handle one ton of that coal, and the contractors had to go to the United States to hire vessels to come over there and carry the Government coal while the Government boats were tied up. I ask the leader of the House if that is good business.

Now, you cannot disparage those boats to the extent of saying that they were not fit to carry coal, because when the pressure got so great in the fall, and your competitors were forced to pay abnormal rates, you turned those vessels into the grain trade and they did good business in that line also; yet through the summer months this Government was actually hiring American boats through a contractor to carry coal when their own boats were tied up at the dock.

Is it any wonder that the men of this country who are paying the taxes, who see performances of that kind, can come to no other conclusion than that there is something behind—that there is some ulterior motive on the part of persons who have a pull with the Government—when they have damaged their own property and spent the people's money to that extent?

Hon. Mr. DANDURAND: My honourable friend forgets that it is the Canadian National Board that handles the grain.

Hon. Mr. BENNETT: There it is again—the Canadian National Board; but when that Board puts out a healthy and a good showing for the work done by them, and their receipts are good, the Premier and the Ministers and down to the humblest member of the Cabinet stroke themselves down and say, "We did it." Canada pays the bills but the deficits come out of this railway.

The times are serious in this country; there is no doubt about that. It is all very well to whistle to keep up our courage, but the prospects are none too good in Canada. We have to bear the aftermath of the war. We are all filled with hope and resolution, and so we should be, because I believe that the tide will turn,, and prosperity will come our way. But in the meantime do not let us have so much of this humbug, to the effect that the present Government is an economical Government, when such a record stares them in the face, and we see some of the expenditures they are making. Let them play the game of statesmen, play the game of patriotism, play the game of Canadians, and not the game of petty politicians struggling by hook and by crook to maintain power, at the cost of principle and of self-respect in the long run.

Hon. W. B. ROSS: Honourable gentlemen, there are a few remarks I wish to make in regard to the Estimates that have been laid before us. I think the history of the world during the last two or three years establishes one thing beyond doubt, and that is that there are world movements that raise and lower prices in spite of the combined governments of the world. There is no use in our trying to quarrel with those forces, and I am not disposed to try to make any capital out of what the Government has nothing to do with ,and for which they are not at all to blame. They are not in any way to blame for the prices which the people of Canada are able to get in foreign countries for what they produce. That is something beyond them altogether.

No doubt there is a great depreciation in prices of everything we have to sell. Wheat has gone down; so has beef; lumber is coming back a little; but there was great distress in the lumber trade; there is great distress among fishermen. I do not blame the Government for that in any way. All that a farmer or any other man can do when he finds that what he has to sell is bringing a reduced price is to look to the other side of his account and make all the economies he can. I think that is all that can be expected of this Government. In my opinion there is no good in trying to make any case against them with regard to what Canada has had to export.

It is simply a question now whether the Government are doing as much as we have a right to expect from them in looking after the other side of the account and reducing the large expenditures. In my humble opinion I think they are trifling with the situation, and are going at it in the wrong way. You cannot rule a democracy unless you have the dominant sentiment of the country behind you.

Now, just as long as this House and the House of Commons and the Government leave their salaries and their indemnities where they are, the dominant sentiment of this country will not be behind them when they come to cut the salaries or abolish the bonus of postal clerks or typists. I think the country has a fair right to expect us to begin at Jerusalem in dealing with public economy. It is a perfectly fair thing to hurl at this House or at the other House the saying, "Physician, heal thyself."

I want to say that I think it is in the hands of the Government to make an enormous economy with regard to this House and the other House without really hurting any person in either of the two Houses. What are the facts about the present Session? Early in the year the telegraphic despatches all over the country from Ottawa said that the Session was to begin early in January. Then, later on it was said that it would be late in January; then it would be early in February; and then late in February, when it met. As a matter of fact, I could have been very busy during the whole of the months of January and February, and could have got my work out of the way if I had known the Session was to open here at the end of February. So far as I am concerned, the Government spoiled the winter, and now it is perfectly clear that they are going to spoil the summer. In the United States, Congress opens on a stated day. If this Parliament were to open on a certain day, say the 20th January, and proceed to business, and adopt the closure rule, and let us out of here early in the first days of May, or not later than the middle of May, it would be to the great advantage of each member of this House —he at the same time going back to the old indemnity of $2,500 a Session. Even making a reduction of $1,000 in the indemnity would mean $96,000 here, and in the House of Commons it would mean $235,000, and there would be a saving of incidental expenses through the shortening of the Session.

I think the Government are not alive to the situation, or they would have dealt with the indemnity, and have made good to the members or this House and the members of the House of Commons by setting a definite date for the opening of Parliament, and shortening the time. Then, when members knew those dates, they could make their business engagements for all the rest of the year. As it is now, a man's year is absolutely spoiled. As I say, the winter has gone, and the summer will be gone; out of the whole of these twelve months there will not be three months altogether that a man could say belonged to himself. That is where I think the Government are at fault, and the sooner they get busy about that the better.

Having done that, Parliament can go with good grace to some other institutions in the country and ask that there be a reduction of salaries outside of this House, in the Civil Service. I find in the accounts for the administration of justice that the salaries of judges of all classes amount to about $2,000,000, in round numbers. Now, if you make a reduction of 25 per cent in the indemnity of members here, say from $4,000 to $3,000, I would propose a reduction of one-fifth on the salary of all the judges—every one of them from top to bottom. That would give you $400,000. There is no doubt that no class in the community could stand the cut better than the judges. When I came to this House the salary of a judge of the Supreme Court of Nova Scotia was $4,000; now it is $9,000. The County Court judges' salaries were about $2,000 up to $2,500; now they are all paid $5,000. If you are going to ask typists and clerks on salaries of $600 and $1,200, and men that work in the fields and in the drains, to economize and to make a self-sacrifice, I do not know any class in the community on which you could more fairly make a claim than you could on all the judges in Canada. Furthermore, I have enough faith in the character and patriotism of the judges to believe that there would be no great complaint from them if we did that, provided always that we dealt here on proper lines with the indemnities of members of both Houses.

Proceeding from the judges, I would cut the salaries of Cabinet Ministers, and reduce the number. Then, I would deal with all the high salaries on the railways. I made a short calculation as to approximately what in my mind would be a fair thing to do with salaries, irrespective of where they are, apart from those two that I have already mentioned, namely, our own indemnities and the salaries of the judges. Salaries from $8,000 up I would cut by one-fifth. From a salary of $6,000 I would take one-sixth. From a $4,000 salary I would take one-eighth. From lower salaries I would take a smaller proportion, until coming down to a $2,000 salary, I

would take off one-twentieth. It is perfectly certain that you can save a large sum of money in that way.

Hon. Mr. CASGRAIN: They might go on strike.

Hon. Mr. ROSS: Then there are savings that can be made apart from this question of reduction of salaries. There is a Committee at work now on the Civil Service, but it would be in a much better position to deal with the Civil Service if it had behind it legislation carrying out the reductions of which I have spoken. If you do not have that, and you come into conflict with the postal clerks or other classes in the Civil Service, you are going to be beaten. They will defy you, and the people of this country will be behind those employees with small salaries. I know it now. I have seen a good deal of this country in these last six months; it so happens, a good deal more than I had seen in any other six months for some years; and that is one of the things that are in the minds of the people of this country almost from coast to coast—that time is wasted here, there is an enormous waste of public money, and it is an outrage that a man with a wife and three or four children and who is getting perhaps only $1,600 or $1,800 a year, should be thrown out of his employment, at a month's notice, while members of the Senate and members of the House of Commons are drawing a $4,000 indemnity and the judges are paid salaries of $10,000 and $12,000.

I do not want to travel over the whole field, but I wish to call attention to a debate which took place in the other House two or three days ago. It was a discussion with regard to the agricultural experiment stations. It is a very enlightening debate. The statement made by the men from the West and by Miss Macphail was a very creditable one, and what surprises me is that, though they made out what appeared to me to be a perfectly unanswerable case for closing up two-thirds of those experiment stations, the debate finally flopped and all the money asked for was voted. I am entirely in sympathy with the contention that there can be at least $250,000, possibly, $400,000, saved on institutions that are of no value at all. I do not mean to say that there are no men there who are any good. There are a number of good men in stations like the Central Experimental Farm here, where research work is conducted. There is useful work done, and you may be able to justify having perhaps one of these farms in British Columbia and one in each of the other provinces. We have three in Nova Scotia,—the one at Truro, the one at Kentville, and the one at Maccan. Now, there is no more need of those three stations in Nova Scotia than there is for a fifth wheel on a coach. The institution at Truro is a provincial school, centrally placed, and there is railway communication with it from all other parts of the province; but the institutions at Kentville and at Maccan could be closed up without the slightest loss to the province. There is a good man at Kentville, Mr. Blair: he could be transferred to the Central School at Truro. I do not know about the head man at Maccan. But there is no difference of climate in Nova Scotia. I can understand why you want one experimental farm up north, to see what will grow there, and why you want one in British Columbia; but why there should be three institutions in Nova Scotia, trying experiments in the feeding of steers on the ordinary feed of the country, and why money should be lost on every one of their experiments, is something that I do not understand at all. If there were a new feed, a new grass or something of that kind, to experiment with, there might be some value in such an experiment. But that is not the case. I have scarcely any patience with it. However, I am not going to labour that any longer, because practically, mutatis mutandis, what those people from the West had to say with regard to the experiment stations applies to the whole of the Maritime Provinces.

As to saving the sum of $40,000,000 or $60,000,000 and reducing taxation, there is not the slightest doubt in my mind that instead of decreasing public expenditures by that amount, if two or three good business men examined the affairs of this country, a saving of nearly $100,000,000 could be effected.

I am not going to travel through the other items. There are other features of these Estimates which will come up in connection with the railways, and which can all be discussed when some of the railway bills are dealt with. But, before sitting down, there is one matter to which I would like to call the attention of the honourable Leader of the House, because I do not understand it. I was under the impression that we had in this country a Civil Service Act. Now I find in these Estimates three items on which I think we ought to have some explanation before we vote them. There is on page 59 an item, number 318, to provide for the administration of the Business Profits War Tax Act, 1916, and the Income War Tax Act, 1917, and amendments thereof, and authority for this purpose to create positions and make appointments notwithstanding anything contained in the Civil

Service Act, "and the said positions and the staff so appointed are hereby wholly excluded from the operation of the said Act." There is provision for a salary of $10,000 for the Commissioner of Taxation. The amount of the item is $2,000,000. That is taken from under the Civil Service Act.

I understand that the history of this section is this. From 1917 down to date the Finance Minister or his Deputy appointed the employees, and after they were appointed according to the opinion of the Deputy Minister of Justice, or the Minister—I do not remember which—they were held to be under the Civil Service Act.

Hon. Mr. DANDURAND: I never heard of that.

Hon. Mr. ROSS: Yes, that opinion was given. They raised the question themselves.

Hon. Mr. DANDURAND: But they were all appointed directly by the Government.

Hon. Mr. ROSS: Yes. The Civil Service Commission had nothing to do with the appointment. The Department itself selected the officials; but then it was held by the Department of Justice that, once appointed, they automatically came under the Civil Service Act. These words now at the end of the item are new: "and the said positions and the staff so appointed are hereby wholly excluded from the operation of the Act."

If we are to have a Civil Service Act, I think we ought to be given some explanation of why this large expenditure of $2,000,000 is taken outside the Civil Service Act.

You will find on page 62 another item, number 364:

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act, and temporary buildings and rentals, $5,720,710.

I do not know the history of that, but I would like to have some explanation of it. I am not very much in love with the Civil Service Act, but as long as we have one I see no reason why those two sums, amounting together to $7,720,000, should be taken out of the administration of the Civil Service Act.

Hon. Mr. DANDURAND: My honourable friend is adding the two items together?

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: This one is $5,720,000.

Hon. Mr. ROSS: Yes, on page 62, and there is the item of $2,000,000 on the other page.

Hon. Mr. STANFIELD: The employees of the Income Tax Branch have never been under the Civil Service Act. The late Government appointed them that way.

Hon. Mr. ROSS: What I want to say to you is this: I am told on the very best of authority that the employees in that Department raised the question, claiming that they were under the Civil Service Act once they were appointed, and that the question was left with the Minister of Justice, who decided that they were. You now have words that never were in the appropriation before; namely, those words that I told you were new, withdrawing those employees entirely from the Civil Service Act.

Hon. Mr. POPE: That is the reason the words are there.

Hon. Mr. ROSS: There is another item, which is not very large, and which you will find on page 7. There may be some good reason for it. It amounts to only $125,000. Perhaps it is a sort of transient, accidental thing. It relates to the registration of bonds in connection with the loans.

Hon. Mr. DANDURAND: On what page is that last figure?

Hon. Mr. ROSS: It is on page 7—an item of $125,000. But I think I can see an explanation for that.

Honourable gentlemen, I am not going to detain you any longer on this thing. I am dissatisfied with the reductions made by the Government. I do not think they have risen at all to the occasion, and what I look for is a change of ways on the part of the Government, and an endeavour to get this country out of what is a rather embarrassing financial position. There is no doubt our people in the Maritime Provinces are leaving us every day. People are leaving the older provinces. It is all very well to say that things are all right. They are not all right. The first thing to do, in my opinion, is to slash the public expenditure in every possible way. Then see if you cannot clear the way to reduce taxation and railway rates, because they are both at the root of any advance in public prosperity.

Hon. G. LYNCH-STAUNTON: Honourable gentlemen, a critic of public expenditure gets very little sympathy. For many years in our history we were blessed with low taxation, and when there was no direct taxation, people paid no attention to the action of their various Governments. I remember when in the province there was no taxation at all that we knew about. There has been none in the Dominion until

the last few years. Therefore, when the changes were rung upon the extravagances of the various Governments, people said, "Oh, that is just politics," and passed on, without paying any more heed. It was impossible to turn out any Government on the plank of extravagance. But things have changed since Hannah died. What was merely a dream has become a nightmare. In my judgment Governments are going to be held responsible for the immoral extraction of money from the people's pockets. I say immoral, because how any man of honour, realizing his duty to his country and having an appreciation of right and wrong, can see any distinction between taking money out of the Public Treasury to placate the voters in a district or to put into his own pocket is more than I can understand.

We have grown up with the idea that the Government owns the country and the money of the country, and that so long as it only takes it and uses it to corrupt the electorate it is honourable and scathless. That was all very well so long as we did not have to listen to the hammer of the tax collector on our own front doors. But I heard some gentlemen not long ago discussing the question of whether or not it was immoral to make false returns on tax papers. They said they had no scruple in cheating the tax collector when the levy was dishonest and immoral.

Hon. Mr. CASGRAIN: They could not get absolution then.

Hon. Mr. LYNCH-STAUNTON: Blackstone says it is no harm.

Hon. Sir JAMES LOUGHEED: Two wrongs make a right.

Hon. Mr. LYNCH-STAUNTON: Is it a moral wrong, when you have a Government taxing you for things that are unnecessary, to resist and avoid payment? Whether it is or whether it is not, there are thousands of people who are doing it, and who are salving their consciences by saying that the tax is extortionate and unjust. For my own part I must say that if I did not have to sign my name to my tax-paper and tell an untruth over my signature, I would not consider it immoral to evade the payment of my taxes. I think it is the duty of a citizen to support the Government of his country and to pay all the justifiable taxation which is levied upon him; but when I find the Government taking from people who are in distress and who are absolutely unable to pay, great sums of money for expenditures which are avoidable, I must confess that if I were on a jury I could not convict a man of wrongdoing who tried to avoid payment.

Look at the state of our taxation. I was told the other day that in the province of Manitoba the taxes were $25,000,000 in arrears. What does that mean? It means that the people cannot pay. I was talking to a tax collector in Hamilton the other day, and he told me that he knew that there was not one merchant from James Street to the Bay who was making any money. Yet they have to pay this enormous taxation.

Take up the company returns and see the gigantic sums of money which the companies in Canada are paying into the treasury of this country. What does it all mean? I spoke to a gentleman the other day who is in a very large way of business. He is selling out. He said: "What is the use of expanding my business when on every thousand dollars that I add to it the tax mounts up 20, 30, 50, 60, 70 per cent? There is simply no use going on." That man is one of the greatest merchants in Canada, and I know that he is contracting his business, because, as he says, there is no use trying to expand it any more.

I am not trying to play politics, but I sincerely and honestly believe that this country will get into the class of the small countries of the world unless someone arises who has enough patriotism in his soul to look after public expenditure. Just look at this building. I walked around here to-day with a gentleman, and he said: "Oh, they tell you you are playing politics if you talk about the little expenditures. They forget that little drops of water make the mighty ocean." Let me point to something down opposite the door of the House of Commons. There are nine benches there which this man —and he is an official in this building—says cost $600 a piece. That is the price of a good farm; and that is just a drop in the bucket in the cost of this building. Down next to the House of Commons reading room there is a place decorated in such a way that if Louis Quatorze had had such a room he would have died of heart disease. And who do you suppose the decorations consist of? Bunches of cigars and cigarettes. It looks like one of the United cigar stores.

Hon. Mr. DANDURAND: Is that the smoking room?

Hon. Mr. LYNCH-STAUNTON: We have a smoking room out here—and I heard a resolution passed in this Chamber that it was to cost $1,000—upon which I am told $10,000 was spent. That, honourable gentlemen, is because we have lost our bearings on public matters; we have no idea of handling other people's money.

I agree with every word said by the last speaker (Hon. W. B. Ross). I think that what he said about the reduction of salaries is absolutely right and just and proper; but, as he said, a man that had any sense at all could so regulate the sittings and the duration of the sessions of Parliament that there would be no hardship on anybody. But everything goes. It is just "come day, go day, God send Sunday." Nobody cares a rap. We have got sixteen ministers, and, so far as honest constructive work goes, I do not believe they do enough work to keep them warm. What do they do? They have deputies who are the heads of the Departments. I think if any Minister of the Crown would sit down and say: "Now, instead of laying the lash on the people of Canada, year after year with more taxation, I will use my time in trying to curtail expenditures," the people of this country would rise up and call him blessed.

Democratic government is on trial, and there is no need of mouthing from the housetops to say so. If you read the thoughtful magazines, if you look at Spain and Italy, if you see this new society called the Crusaders that is arising in England, you will come to the conclusion that the day has come when the people are commencing to wonder whether or not government as we have it is the best form of government. I defy anybody to point to any public man in Canada who has ever made it his business, when he was in office and had the power, to cut down the expenses and look after the money of this country. They say man is a gold-hunting animal. He is a gold-hunting animal, and is on the grab all the time; and around the Government at Ottawa there are shoals of parasites, people who are everlastingly tempting their Government to expenditure—clamouring members, contractors, people from cities that want expenditures—and it takes a man who is a man to resist them.

There are just two things for which the Government is of any use: one is to save us money, and the other is to promote the prosperity of the country by proper tariffs or proper adjustments of that kind. All other things are vain.

At the risk of being accused of talking politics, I would just like to mention the tower of this building. All the great cathedrals and other splendid buildings of Europe took hundreds of years to build. They were gradually built and added to first a wing here, then a tower and that went on over many years, and is going on now. But here we think we must do everything in a year. Everyone will admit that this country is being taxed to death; everyone will admit that we cannot afford to pay the taxation that we are being forced to pay; and yet the Government want to spend $600,000 on vanity, to stick another piece on the tower. And what did they do? Upon my soul, it sounds like Alice in Wonderland. I am told they brought stones from Europe to put into the tower. Of all the sloppy sentimentality I ever heard of, the bringing of stones from Europe to put into the tower of the Parliament Buildings of Canada is the worst. The bent of the human mind is an extraordinary thing. I remember one time there was a horrible murder at Brantford. Shortly afterwards I was there, and with a friend of mine was walking across a bridge, when he said: "That is where the murder was committed." I said: "What tore all that shrubbery to pieces?" He said: "That was done by the people who came to the scene of the murder taking mementos away with them." They took away almost a ton of pieces of branches and leaves from the scene of the murder. In just the same way this Government have gone to the scene of the murder and have brought the stones of France to Canada. What inspiration are they going to give to the people of this country? I thought it was bad enough when all this scrap iron those old cannons that are scattered around the parks of this country and that no one ever looks at was brought here; but now they have brought the stones over.

Hon. Mr. DANDURAND: But that is not what will attract attention. It is the carillon that will be installed in the tower.

Hon. Mr. LYNCH-STAUNTON: Haven't we got enough stones in Canada? It is like the building of that great harbour in Toronto—making land in Canada—bringing stones to Ottawa. It is funny to think of. I say the Government cannot justify the expenditure of that $600,000—and it will be a million before the work is done—and when it is done, what will it be? It looks to me like the tongue of a wagon stuck up in front of a wagon. That tower has nothing to do with the building, and, I do not think the building will look any more beautiful when the tower is twice as high as it is now. At all events, it is a luxury.

I did not like the statement of the leader of the Government (Hon. Mr. Dandurand) when he said the Government of Canada was not responsible for that hotel purchase in Paris. He is wrong, and if the Government takes that view it is wrong. The Government should be responsible, and should not allow any

management to spend the money of this country at its own sweet will. If the Government is not responsible for it, then all Sir Henry Thornton has to do is to touch the button and get all he wants. He has got $400,000,000 now for equipment, and I suppose, sated with that, he is going to put on all these frills. Mr. Graham says that purchase was a mistake. If it was a mistake, he should stop it.

When I was in London this summer, I saw the building in which the High Commissioner is entombed—a very handsome building on Pall Mall just off from Waterloo Square—and to my absolute amazement I heard that the Government had gone down and bought the old Union Club. I know that building is at least sixty or seventy years old; I have been in it many a time, and it is not in the least adapted to offices. It is not on the business side of the street. Further, why do we want to pick out the most expensive property we can get? It is like the nouveau riche, those people who get a lot of money and go out and buy the finest car and most magnificent house, and put on all the vulgar airs they know how. That is not what the British Government does. The British Government houses the Government of the Empire in a very humble, obscure street. The American Government has no such quarters for its Embassy. But the smaller the country, the bigger the building, it seems to me, and the more crazy the expenditure. I went down just off Waterloo Square, and there I saw a magnificent building, that of British Columbia. I have forgotten where Ontario's building is. Of course, each province, as well as the Dominion has got to have its own building. From a business point of view what earthly use is the High Commission? I don't know, and I have never been able to find out. Lord Strathcona set his face against palatial offices all his life; he said the quarters down Victoria Street were good enough for anybody, and he performed his duties as well as any man could be expected to do. He did not need to have a building as high as Nelson's monument.

They tell me that we have 200 Civil Servants in London. An honourable gentleman here this afternoon said that we have 500,000 employees. That means that we have over 2,000,000 people, or one in every sixteen, living on this country. It is said that the recent revolution in Spain was caused by the fact that the whole country was packed full of office-holders. So is this country, from ourselves down. Think of Canada having a House of Commons of nearly 300 and going strong—going to have more this year. I saw a gentleman who went through here, who said that the West had not enough representation. Will you tell me what on earth good ten or fifteen members are to the city of Toronto or Montreal? Not a snap of a finger.

I had something to do with preventing Hamilton from getting more than three members in the Ontario Legislature. My argument was that we were taxed enough to elect three, and we did not want to be taxed to elect another one. What good are they? They are not listened to in the House. You make your speech; it is embalmed, just as mine is going to be, in the Hansard; but it will not have the effect of a snap of the finger. Those members who come here from Toronto and Montreal are not listened to. The Government makes up its mind before it hears the debate what it is going to do, and it puts that legislation through every Session, whatever the members say about it. Mr. Marler made a wonderful cpeech, and reflected great credit on himself; it was one of the finest speeches I have read for many a year, that came down to the practical business of governing this country; but he was just throwing sand against the wind, for the Government had committed itself. I have yet to see the Government that is big enough and strong enough to back down when anybody shows them that they are wrong. They will put their legislation through unless the Senate kills it. And thus it goes on year after year. I think that we could afford to give a man $50,000 a year, within half a mile of where we sit, and I will undertake that he would save $2,000,000 a year if we gave him a free hand, and he was any kind of a business man. But we do not care.

Now, to come to an end of these rambling remarks, the people are going to make us care. You cannot sit down in a railway train and talk to any man but he will say, "Well, Senator, you know I am paying so-and-so." Everbody knows what taxes are now. They run away with the idea that the Government thinks that spending money makes them popular. You cannot gain elections by spending money in any of the constituencies. It cannot be done. I have seen them come up to Hamilton and spend from twenty to fifty—yes, a hundred thousand dollars; and who gets it? They bring up a troop of outsiders, and the contractor gets it, and nobody knows what is going on. There was no penalty heretofore, but now the people have to pay taxes.

I remember the late Chief Justice Armour saying once, "I wish I were Czar of this country for just six months: I would make everybody pay taxes, and then they would make every Government sit up." That is what

they would do, and that is what they will do. Now, when you come to talk to an audience and mention taxes, they are interested; so are the Boards of Trade and the newspapers. Mr. O'Leary, who fired that shot the other day in Maclean's Magazine, has done more to stir up the people of Canada than any man in the last ten years. I think he has done a wonderfully patriotic work, and as I heard an honourable gentleman say here to-day, nobody has been able to lay a finger upon a misstatement in it. Now, that is only the Civil Service, but there are dozens of other abuses, even worse than the Civil Service.

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

THIRD READING

Hon. Mr. DANDURAND: By the consent of the House I would like to move the third reading of this 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, April 4, 1924.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

The Hon. the SPEAKER informed the House that he had received a message from His Excellency the Governor General in his own hand:

Honourable gentlemen of the Senate:

I have received with great pleasure the Address that you have voted in reply to my Speech at the opening of Parliament and thank you for it sincerely.

Byng of Vimy.

BOARD OF AUDIT

INQUIRY

Right Hon. Sir GEORGE E. FOSTER inquired of the Government:

1. Has the Board of Audit as provided by Chapter 30, 13-14 George V, been constituted, and if so who are its members?

2. What salary is attached to each member, and for what length of time has he been engaged?

3. Has the Board entered upon any duties provided for in sections 8, 9 and 10 of the Act and if so upon what?

4. Has the Minister of Finance, acting under section 11 of the Act, extended the powers of the Board, and if so for inquiry into what undertakings or services?

5. If any such extension of powers has been made will the Government lay on the Table of the Senate the Orders in Council or the instructions of the Finance Minister in relation thereto?

Hon. Mr. DANDURAND:

1. Yes.

The members are: Georges Gonthier, Auditor General; J. C. Saunders, Deputy Minister of Finance; George Edwards, Public Accountant; W. Garth Thomson, Public Accountant.

2. The Auditor General and the Deputy Minister of Finance receive no compensation as members of the Board of Audit.

Each of the other members will be paid such sum for his services as the Treasury Board shall allow, but not exceeding the sum of three thousand dollars in any year.

The Board may hold office until 1st July, 1925.

3. Under Section 8, yes. The system of audit of the Public Accounts.

Under Section 9, yes. The system of accounting employed by the Canadian National Railway Company and the subsidiaries thereof.

4. Yes.

Inquiry into expenditures in connection with the Civil Service, co-ordination of services, reduction of staff or other means of effecting economies, including the housing of the service, the operation of the Civil Service classifications and the administration of the Civil Service Act by the Civil Service Commisson, and matters incidental thereto.

5. The instructions of the Minister are embodied in answer to No. 4. Copy of the Order-in-Council appointing the Board is tabled herewith.

(Copy)

P.C. 301

Certified copy of a Minute of a Meeting of the Committee of the Privy Council approved by His Excellency the Governor General on the 23rd February, 1924.

The Committee of the Privy Council have had before them a Report, dated 21st February, 1924, from the Acting Minister of Finance, submitting that under the provisions of the Board of Audit Act, 1923, the Governor in Council may appoint a Board of Audit to hold office as such until the 1st July, 1925.

The Minister recommends the appointment of the Board of Audit to be constituted as provided for in the said Act; further that in addition to the Auditor General and the Deputy Minister of Finance the following be appointed as the other two members of the Board, namely: George Edwards, of the firm of Edwards, Morgan and Company, 10 Adelaide St. E. Toronto, Ontario; W. Garth Thomson, of the firm of Marwick, Mitchell and Company, 277 Beaver Hall Hill, Montreal, P.Q.

The Minister further recommends the extension of powers of the Board to include the following:

To inquire into expenditure in connection with the Civil Service, the co-ordinating of services, reduction of staff or other means of effecting economies.

The Committee concur in the foregoing and submit the same for Your Excellency's approval.

E. J. Lemaire,
Clerk of the Privy Council.

PICTOU COLLECTOR OF CUSTOMS AND EXCISE

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is the position of Collector of Customs and Excise at Pictou vacant?
2. When did it become vacant?
3. Who is in charge as acting collector? When was he appointed as acting collector?
4. When was such person first appointed to the public service, and to what position in the service?
5. Is he qualified for the position he is now filling?

Hon. Mr. DANDURAND:

1. No.

2 and 3. This position became vacant on the death of Mr. Patterson, January 16, 1924, and was filled by the promotion of Mr. F. P. Carroll, April 1, 1924.

4. November 20, 1901. Temporary Excise Officer.

5. Yes.

GOVERNOR DONAHEY, OF OHIO

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Did Governor Donahey, of the State of Ohio, one of the United States of America, enter Canada in 1923, having in his custody, or being accompanied by two convicts serving sentence in the Ohio State Penitentiary, the names of the said convicts being Earl Jennings and C. Zipriani?
2. Did the Government take steps to deport the said Earl Jennings and C. Zipriani, or did the Government deport the said Earl Jennings and C. Zipriani, and if not, why not?
3. Did the Government permit the said Governor Donahey to enter Canada and to retain in his custody the said Earl Jennings and the said C. Zipriani?
4. Did the State of Ohio take any steps to extradite the said Earl Jennings and the said C. Zipriani, or did the State of Ohio in fact extradite the said Earl Jennings and the said C. Zipriani?

Hon. Mr. DANDURAND:

1. Yes.

2. Yes, steps were taken towards deportations, but parties returned to United States before deportation could be effected.

3. Party were allowed temporary entry upon Governor making himself known to Immigration Official and also explaining object of his visit. No detailed information was taken as to individual members of party as they were accompanying Governor Donahey.

4. No record of any action by the State of Ohio.

CIVIL SERVICE REGULATIONS

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an order of the Senate do issue for a return of copies of all regulations and recommendations made by the Civil Service Commission during 1919 and since that year, dealing with the hours of work in the Civil Service at Ottawa.

And of all Orders in Council in reference to such regulations or recommendations, and of all correspondence between the Government and the Civil Service Commission in relation to such regulations and recommendations.

The motion was agreed to.

JUDGES BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 25, an Act to amend the Judges Act.

He said: After the suggestions of the honourable gentleman from Middleton (Hon. W. B. Ross) last evening, my proposition may appear to be in direct contradiction to his conclusion. The honourable gentleman suggested that the emoluments of judges and others should be reduced.

Hon. Sir JAMES LOUGHEED: You are adding to them?

Hon. Mr. DANDURAND: It so appears on the face of the Bill, but it is not an increase. The proposed amendment to the Judges Act would bring the salary of the judge of the Territorial Court in the Yukon Territory from $7,000 to $9,000, but, according to the declaration of the Minister of Justice, he has enjoyed a living allowance of $5,000 in addition to the $7,000, and the purpose of the increase which is being voted him is to place him on a par with judges of his own class, who were granted $9,000 some years ago.

Hon. Sir JAMES LOUGHEED: In the Yukon Territory?

Hon. Mr. DANDURAND: Yes. He is now receiving $7,000.

Hon. Sir JAMES LOUGHEED: But, I mean to ask, have his predecessors in the Yukon enjoyed a salary of $9,000?

Hon. Mr. DANDURAND: No, they have not. There was a time when they, like all other judges of Superior and Supreme Courts in Canada, were paid $5,000; but they were two in number and they received in addition a living allowance of $5,000, which brought the total payment to them individually up to $10,000. That emolument of $5,000 was increased to $7,000, and the judge continued to receive his living allowance of $5,000. The

Minister of Justice declares that after this amendment is made the judge will receive only $3,000 instead of $5,000 for living allowance. Therefore the only change will be to put his regular salary on the same level as that of the other judges. The great advantage for him will be that his retiring allowance will be based on the increased salary of $9,000; but when he does retire he will not be entitled to receive more than the $6,000, that is, the two-thirds to which any retiring judge receiving a salary of $9,000 would be entitled. The increase in charge will be in his retiring allowance.

Hon. W. B. ROSS: It would be an increase of $1,000 a year.

Hon. Mr. DANDURAND: Perhaps it would be $1,000.

Hon. Mr. ROSS: That is what the Minister of Justice said.

Hon. Mr. McMEANS: What is the population the judge up there serves? Has the honourable gentleman any information as to that?

Hon. Mr. DANDURAND: No, I have not.

Hon. Sir JAMES LOUGHEED: About 4,000 I think.

Hon. Mr. DANDURAND: Only he is obliged to live there.

Hon. Mr. ROSS: That is bad.

Hon. Mr. DANDURAND: And to serve the district in whatever work there is.

Hon. Sir JAMES LOUGHEED: But he does it willingly, does he not?

Hon. Mr. DANDURAND: Yes, willingly; but I suppose he would prefer to be transferred to Vancouver or Toronto.

Hon. Mr. McMEANS: I suppose that in his spare time he could dig for gold.

Hon. Mr. DANDURAND: I do not know to what he devotes his spare time—perhaps to his library.

Hon. W. B. ROSS: Now that prohibition is in force, he will not have to try drunks. He will have only mining cases.

Hon. Mr. WATSON: He will have the bootlegger, though.

Hon. Mr. DANDURAND: I wonder if there is not a Justice of the Peace who is attending to those cases.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, we have reached a period in the government of Canada when all minds are more or less concentrated upon retrenching and cutting down expenditure. I have some knowledge as to the expenditure which is made by the Government of Canada in connection with the Yukon Territory, and I say with absolute confidence that there is no other section of the Dominion in which, relatively so much money is being unnecessarily spent. There is no reason why there should not be a thorough reorganization of that entire Territory. I feel satisfied—in fact, I know from an examination which I made into the subject shortly before we were driven into the wilderness—that half of the expenditure could be saved to the exchequer of Canada. Why, I ask, should there be a duplication of all kinds of services in a community not numbering more than probably 3,000 or 4,000 people? Why should there be practically all the machinery of a judiciary, all the duplication of public servants, and so on? One or two public officials could transact all the business for that community; yet we have, relatively speaking, a small army of them, practically duplicating the same services that are carried on in the provinces, but of course, on a very much reduced scale. There is no question that if the Government gave its attention to the reorganization not only of the machinery of government, but of the ordinary services which are rendered in that Territory, we could save a very substantial amount.

Furthermore, there is no reason why the so-called government of the Yukon Territory should not be handed over to the province of British Columbia. For some time that project was discussed with more or less seriousness, and I heard no expression of disbelief in its feasibility. The system of extravagance into which we have fallen, and from which we have not rescued ourselves, was entered upon at a period when we believed that country was overrun with gold, as it was to a certain extent, though we permitted our American friends to cart it all to the American side of the line. So far as I know, we have not entered on any serious reduction of those expenditures since that time.

Why should a judge be paid $5,000 for living expenses in the Yukon Territory? Is there any difference in the cost of living between that section and British Columbia, or any of the other western provinces, or indeed any eastern province? The judge has access to all the centres of civilization by the ordinary means of transportation, and by the generosity extended by the transportation companies to many judges, I will not say all,

notwithstanding that it is possibly against the policy of the Act. Why, then, should the Government of Canada, under present conditions, even agree to pay a judge in the Yukon Territory $5,000 a year for living expenses? He is nothing more than a County Court judge; in fact, he does not discharge the important duties of County Court judges in other parts of Canada. In revising the scale why should the Government pay him $3,000 a year for living expenses, and counterbalance the reduction by adding to his salary $2,000?

Right Hon. Sir GEORGE E. FOSTER: And adding to the burden of the future.

Hon. Sir JAMES LOUGHEED: Yes. There is no reason in the world why one of the judges from British Columbia should not go up to the Yukon periodically and dispose of all the judicial business in that small community.

If my honourable friend would only look into this question, asking the officials of the Department of the Interior for data, which could be readily furnished, as to reductions which might advantageously be made, and which could be made at once, he would be surprised that we should seriously consider at this time the increase of salary of a judge to $9,000 and also the continuance of his living allowance at $3,000. I invite my honourable friend's attention to the investigation of this subject, and commend to him the desirability of such examination before we deal any further with this Bill.

Hon. Mr. BELCOURT: May I, not with the view of discussing the matter, but just for the purpose of putting before the House what was said by the member representing that district in another place, quote from Hansard, page 828:

> Mr. Black (Yukon): I should like to make the situation clearer to the committee. By the Revised Statutes of Canada, chapter 138, the salary of the judge of the Yukon territory was fixed at $5,000 a year. By the same act the salaries of the Superior Court judges of Quebec and of the High Court of Justice of Ontario were fixed at $7,000 a year; and those of the judges of the Supreme Courts of Nova Scotia, New Brunswick, British Columbia, Saskatchewan and Alberta, and of the Court of the King's Bench of Manitoba, at $6,000 a year. By section 192 of the act it is provided that the judges of any of the above courts, after serving fifteen years, might be retired on an annuity equal to two-thirds of their salary at that time. In the case of the judges of the provinces of Ontario and Quebec the amount would be $4,666. The judges of the other provinces would receive $4,000, and the judges of the Yukon territory would be entitled to receive $3,333. By chapter 59 of the Statutes of Canada, 1919, the salaries of the judges of the classes mentioned in the provinces of Nova Scotia, New Brunswick, Manitoba, British Columbia, Saskatchewan and Alberta, were increased to $7,000. There was no corresponding increase for the judge in the Territorial Court of the Yukon. By chapter 56 of the Statutes of Canada, 1920, the salaries of the judges of the classes I have named —New Brunswick, Nova Scotia, Prince Edward Island, Manitoba, British Columbia, Alberta and Saskatchewan, and including the judges of the High Court division in Ontario and judges of the Supreme Court in Quebec—were all increased to $9,000. The salaries of the judge of the Territorial Court of the Yukon was increased to $7,000. By section 20 of chapter 138 of the Revised Statutes, 1906, it is provided that if one has continued in office as judge of one or more of the said courts for thirty years or upwards he may resign, and the government may grant him an annuity equal to his salary for life. By chapter 56, 1920, under which act the salaries of the judges of the provinces were increased to $9,000, and the salary of the judge of the Territorial Court of the Yukon was increased to $7,000, it is provided by section 13 that the increases of salary granted by that act shall not entitle any judge to any increase in the annuity which may be granted to such judge under the provisions of section 20 to which I have referred, and the effect of this is that the judges of the province, if retiring after thirty years' service, retire at $7,000 per year, while without this resolution now before the House the judge of the Territorial Court of the Yukon would retire at $5,000, and with this resolution he would retire at $6,000 a year. This resolution is doing him partial justice, but I say that it does not put him on an equal footing with judges of his rank throughout Canada. I therefore move that the word "six" be struck out of the resolution and that the word "seven" be substituted therefor; so that when the judge in the Yukon has served thirty years he may be retired on the same terms as his brother judges. After serving thirty years there is no reason why he should not be put on the same footing as the others. It may have been extravagant to increase the salaries of the judges all over Canada as was done in 1919 and 1920, but if you are going to do it, be consistent and do it for the whole of Canada. I say that the government should not consider granting a judge an annuity of two-thirds of his salary and accepting his resignation now. I do not think there should be any thought of that on the part of the government. I do not know that the judge has it in mind, but, if he has, the government should not stand for it. I am happy to say the judge is in excellent health, and a comparatively young man. The time has not come for his retirement. The judge is there, and the court is necessary for the territory. The community is an isolated one, far removed from any of the provinces. Valuable interests, valuable property and civil rights are involved in actions. It is necessary to have a judge of Supreme Court jurisdiction to preside at the criminal court. The idea that judges might be sent on circuit from British Columbia to take the place of the Yukon judge has been mooted. This would not be practicable nor economical, and it would be most disastrous to the people before the court. I would like to point out that should the government accept the judge's resignation now his retiring allowance would be $6,000, in addition to which it would be necessary to appoint and pay another judge, and there is no reason to suppose it would cost less than the cost at present, which is $12,000 per annum, and instead of costing the country $12,000 it would be costing $18,000 a year to retire the judge and appoint another. In fact it would be costing $23,000 a year because we have now one judge who has been retired for a good many years on a pension of $5,000 a year. There is no need for such increased expenditure. Our present judge is quite competent physically and mentally to discharge the duties of his office, and I for one hope he will be spared for many years, and hope the government will continue him in office.

I say this judge should be entitled to retire at the same amount as the judges of his rank throughout Canada, which is $7,000. The amendment to the resolution will not at this time cost the country a cent more than the resolution as it stands. And in fact the resolution as it stands does not at this time entail any extra expense to the country; it only provides for dealing fairly with the judge when the time comes for his retirement.

I would not dream of adding anything to those comments.

Hon. Sir JAMES LOUGHEED: How many judges are there there—just the one?

Hon. Mr. BELCOURT: Just the one, apparently. The member for the district is undoubtedly more able to speak of conditions there, than I am, and I think that this statement ought to be accepted.

Hon. Mr. McMEANS: Why was the living allowance of $5,000 a year added? Was that because living was more expensive in the Yukon than any place else?

Hon. Mr. DANDURAND: There is no question that at the time the Court was constituted the conditions there were totally different from those east of the Yukon, and $5,000 was but a fair compensation for the higher cost of living. I have not been to the Yukon, and do not know the conditions today, but those who have lived there for some time, if there are any among us, could give us their experience.

Hon. Mr. BELCOURT: I could give my own experience. In 1899 or 1900 I had the great privilege of making a trip to the far north with one of the most revered members of this House, the late Sir Mackenzie Bowell, and the cost of living at that time, as compared with such cost elsewhere, was about in the proportion of ten to one. I remember that one day, on returning from a trip on what they called the Ridge Road, on which there was sand between eight and ten inches deep, we all repaired to the public bath, kept by a barber, and for a bath and shave and hair-cut we each paid between $5 and $6. You could not buy any kind of thing in Dawson, not even a local paper, for less than 25 cents. That gives an idea of the cost of living there as compared with the cost outside of the Territory.

Hon. Sir JAMES LOUGHEED: But the cost is not very different now from what it is in the West.

Hon. Mr. McMEANS: I should not think social duties would cost very much there. There are no churches to subscribe to, and no societies calling for contributions.

Hon. Mr. W. B. ROSS: I do not think there is the slightest justification for our passing this Bill. According to the figures we get here, that Court costs now $23,000 a year. Mr. Black says:

I would like to point out that should the Government accept the judge's resignation now his retiring allowance would be $6,000, in addition to which it would be necessary to appoint and pay another judge, and there is no reason to suppose it would cost less than the cost at present, which is $12,000 per annum, and instead of costing the country $12,000 it would be costing $18,000 a year to retire the judge and appoint another. In fact, it would be costing $23,000 a year, because we have now one judge who has been retired for a good many years on a pension of $5,000 a year. There is no need for such increased expenditure. Our present judge is quite competent, physically and mentally, to discharge the duties of his office, and I for one hope he will be spared for many years, and hope the Government will continue him in office.

Mr. Black's argument seems to be that because we increased salaries of judges in the eastern provinces on two occasions, therefore we ought to keep on, whether we made a mistake or not, and increase the salary of this judge. You could get as many men as you want to take that man's place at the present salary. He has a good salary of $7,000 and a living allowance of $5,000. Evidently that man is going to retire and go into some other business in the East, and by means of this Bill he will get $1,000 added to his retiring allowance.

I think the time is not very far away when we will be compelled to revise the salaries and retiring allowances of judges. This man is suffering nothing at present, unless he is going to retire. I would leave this matter as it is, and I think it can very well stand over for a year or two. My view is that if the Government do not withdraw this Bill I would feel like moving the three months' hoist, which I do now.

Right Hon. Sir GEORGE E. FOSTER: I think perhaps it would be a little too drastic to move the three months or six months hoist, but I think a case has been made out that we should have full information with reference to the Yukon Territory—as to the officials there, how much they cost us, what is being paid to each one, the revenues we get from that country, and all other data which will enable us to deal with the matter thoroughly, and test the bona fides of the Government, and at the same time test our own tendency toward making a real advance in economy in this country. We should sift thoroughly this whole matter of the Yukon, and come to a conclusion whether or not we are paying altogether too much for the services in proportion to the popula-

tion, and whether in the interest of economy methods could not be provided by which a distinct saving could be made.

I do not know what the population of that Territory is, but I have been told that in the winter-time it is about 2,500, and in the summer season it is larger. Before we finish with this question I would like to have information brought down which would enable us to review the whole situation as regards the Yukon and its administration; and I will give notice of an inquiry which will bring out such information. When we get that we can sit down and examine the one point in our administration where there is an opportunity of making large economy and of giving an essential, reasonable and necessary service to that portion of the country.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the problem of the administration of justice in that Territory. Whatever may be the present conditions, I do not see how we shall be able to alter the methods employed in the administration of justice. I notice that it has been stated by the member who sits for that district that there must be a judge of proper rank, and clothed with the necessary powers, to administer justice in civil and criminal matters.

Of course, the larger question raised by my honourable friend opposite (Hon. Sir James Lougheed) and the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) is interesting—could not a reduced establishment be suggested for the Yukon? Possibly the Audit Commission, which is now sitting and dealing with the Civil Service, may have a chance to examine into that situation.

I have no objection to adjourn this Bill for a time in order that we may turn the matter over in our minds. So far, the Bill only bears on an alteration in the form of payment; the judge is receiving $12,000, and under this Bill, with the living allowance, he will still be receiving $12,000.

Hon. Sir JAMES LOUGHEED: You can cut that down.

Hon. Mr. DANDURAND: The advantage will only accrue to him when he retires, if he should have occasion to retire.

Hon. Sir JAMES LOUGHEED: How long has he been on the Bench?

Hon. Mr. DANDURAND: I cannot say; but, since I am agreeable to adjourning this matter, I would like to address myself for a moment to the question of the retirement of judges after 15 years' service, which has been mentioned by my honourable friend from Middleton (Hon. W. B. Ross). I may say that I have always been of opinion, and have gradually become more convinced in it, that there was an abuse in the facility with which a judge who had served the country for 15 years could withdraw, at his own fancy, on two-thirds of his salary. I have always been under the impression that that facility was intended for a judge who felt weakened, physically or mentally, and who considered himself unequal to the task before him. Yet I have seen judges withdraw, not because they felt weakened in health or in mind, but because, in very many cases, they could better their position. I think the Minister of Justice could well afford to examine into this matter in order to obtain some greater discretion in allowing the retirement of judges under such circumstances. I have heard judges claim that it was their absolute right after fifteen years of service to ask to be pensioned. That has not been my view. I am convinced that that was not the spirit of the Act when it was passed, and it seems to me that we are too freely granting the privilege of withdrawing to judges who have been seasoned by fifteen years experience on the Bench and who are still in full vigor both mental and physical.

Hon. Mr. McMEANS: I quite agree with everything the honourable gentleman has said. I know of a case at the present time in which a Judge of the highest court in the land is carrying on his judicial duties for the purpose of drawing $1,000 a year. I think from what the honourable gentleman says that there is no doubt that the Act was not intended to give a judge the right to withdraw at his own discretion. I know of one judge who, if he retired to-day, would draw $8,000; but still he continues on the Bench and draws $9,000.

Hon. Mr. DANDURAND: I move to discharge this Order, and place it on the Orders of the Day for the 22nd of April.

Hon. Sir JAMES LOUGHEED: Will my honourable friend in the meantime make inquiries as to whether there have been negotiations between this Government and the Government of British Columbia as to the taking over of the administration of the Yukon Territory. I have a kind of remote idea that there were negotiations at one time between the two Governments in regard to that proposal.

Hon. Mr. DANDURAND: I will inquire.

The motion for the second reading of the Bill stands to April 22.

THE LIQUOR TRAFFIC TREATY

JOINT RESOLUTION OF APPROVAL

The Senate proceeded to the consideration of the message from the House of Commons requesting the Senate to unite with that House in the approval of the convention between His Majesty and the President of the United States of America, signed at Washington on the twenty-third day of January, one thousand nine hundred and twenty-four, for the purpose of avoiding any difficulties which might arise between them in connection with the laws in force in the United States, on the subject of alcoholic beverages, a copy of which has been laid before Parliament.

Hon. R. DANDURAND: Honourable gentlemen, the object of this convention is the authorization of the United States of America to exercise the right of search of vessels beyond the 3-mile limit when there is reasonable cause for belief that such vessel has committed or is attempting to commit an offence against the laws of the United States prohibiting the importation of alcoholic beverages and allowing of the seizure of such a vessel for adjudication before United States tribunals. This matter was considered by the Imperial Conference last autumn, and in the summary proceedings of that Conference which has been laid on the Table of this Chamber will be found, at page 12, the following reference to that discussion:

During the session of the conference, the question of the regulation of the liquor traffic off the American coasts and of the measures to be taken to avoid a serious conflict either of public opinion or of official action was seriously debated. The conference arrived at the conclusion that, while affirming and safeguarding as a cardinal feature of British policy the principle of the three mile limit, it was yet both desirable and practicable to meet the American request for an extension of the right of search beyond this limit for the above purpose, and negotiations were at once opened with the United States government for the conclusion of an experimental agreement with this object in view.

As will be seen by the resolution and agreement that is now before us, the principle of the 3-mile territorial water-line limit is maintained. For the purposes sought under this agreement, seizures may be made within a distance of the coast that may be traversed in one hour by the suspected vessel. Where a transfer from one vessel to another is contemplated, it is the speed of the latter which determines the distance from the coast.

Hon. Sir JAMES LOUGHEED: What is the maximum distance estimated during that hour?

Hon. Mr. DANDURAND: Twelve miles has been mentioned. It seems to me somewhat low.

Hon. Sir JAMES LOUGHEED: Yes, for a motor launch.

Hon. Mr. DANDURAND: Yes, for motor launches such as we have to-day.

Hon. Mr. BELCOURT: It is not in the open sea: it is on the coast, and they have to go much more slowly.

Hon. Sir JAMES LOUGHEED: The distance is estimated from the coast.

Hon. Mr. DANDURAND: In return for such a concession, British vessels gain the right of carrying liquor to United States ports if it is kept under seal during their stay within the territorial waters of the United States. This applies to liners plying from the ports of Great Britain and Canada to any port on the Atlantic or the Pacific coast of the United States. As is well known, the United States denied to regular passenger liners the right to have liquor in bond while in an American port. In return for the concession granted under this resolution or agreement, the Americans agree to the British passenger boats retaining under seal the liquor for their return voyage.

Hon. Sir JAMES LOUGHEED: That is Article III.

Hon. Mr. DANDURAND: A reference to a Joint Commission of Claims for compensation in case of an improper exercise of the rights conferred by the Treaty is provided for. The said Convention is to remain in force for one year, or may be modified from year to year, or, if there is no understanding as to a proposed modification, it will lapse.

The Senate of the United States ratified this agreement on March 13 last, and it will be ratified by His Majesty the King when it is approved by the Parliament of the United Kingdom and the Parliaments of the self-governing Dominions.

On January 12, the Canadian Government was asked if it approved of the terms of the Treaty, and whether it was agreeable to attach its signature to it. The reply was in the affirmative; but attention was drawn to the opinion of the Canadian Government, that, when a vessel seized illegally was of Canadian registry, the British representative on the Board appointed to adjudicate upon the matter should be a person nominated by the Canadian Government. The approval was made subject to subsequent approval by Parliament. The answer of the British Government intimated that the wish of Canada in those two particulars was agreeable and would be respected.

This agreement was entered into by the United Kingdom, with Canada's concurrence, as an act of international good-will towards

our neighbours, who are experimenting with the application of laws which they believe will have a high moral effect. It is not for us to discuss the value of that legislation, everyone is master in his own house; and our action will be taken as a friendly act by the great Republic to the south of us.

Hon. Mr. BARNARD: May I ask the honourable gentleman a question in reference to this matter? The Straits of Juan de Fuca, between the State of Washington and the province of British Columbia, are 17 or 18 miles wide, and the International boundary line runs down through the centre of the straits. It would appear to me from the wording of Article II that this Treaty would give an American vessel the right to cross into British territorial waters and search British ships. The same condition of affairs, if I am not mistaken would apply on the river St. Lawrence. I take it that the international boundary line, say at Prescott or Brockville, is the middle of the river. If I am right in my interpretation of the Treaty, that condition would lead to a somewhat undesirable state of affairs, and I would ask my honourable friend if the matter has been considered at all from that standpoint.

Hon. Mr. DANDURAND: The question occurred to me, and I asked the right honourable the Premier of this country and the honourable the Minister of Railways whether the matter had been discussed from that angle. They were both of the opinion, and they were quite clear about it, that this only covered the 3-mile ocean limit and had nothing to do with inland waters.

Hon. Mr. BARNARD: But in a case like the one I have mentioned, between Washington and British Columbia, is the matter on the same basis?

Hon. Mr. DANDURAND: The only question which occurred to me was the extent of territory which this agreement covered, and the answer I got was that it was confined to the ocean 3-mile limit.

Hon. Sir JAMES LOUGHEED: I think the second line covers it: "outside the limits of territorial waters."

Hon. Mr. BARNARD: That refers to territorial waters of the United States. That cannot mean anything else.

Hon. W. B. ROSS: That is the whole point. They are given the right to search outside their territorial waters.

Hon. Mr. BARNARD: On the high seas.

Hon. W. B. ROSS: Are the Straits of Juan de Fuca the high seas?

Hon. Mr. BARNARD: No, they are territorial waters, half American and half Canadian.

Hon. W. B. ROSS: Then, if it is outside territorial waters, I am inclined to think there will be no trouble of that kind. The Privy Council have decided that the land under the water to the 3-mile limit is part of the mainland. How wide are the straits of Juan de Fuca?

Hon. Mr. BARNARD: About 18 miles.

Hon. W. B. ROSS: Then there is 3 miles of water with land lying underneath it that is owned by the country. The rest is the high seas, I think. It is rather a conundrum.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it may not be out of place at the moment to say that this Convention, the approval of which by the British Government and the Dominion of Canada is sought, stands out in very strong contrast to the treatment which this country and Great Britain from time to time have received at the hands of the United States in the consideration of treaties which have been negotiated between those countries. It may not seem to be the gracious thing at this moment, when Great Britain has extended her national courtesy to the United States in accepting this Convention, to make any comments upon the reluctance with which the United States Government has approached the consideration of treaties which from time to time have been negotiated between this country and that Government or beween Great Britain and the United States. There has scarcely been a period when the consideration of our treaties has not been approached in a more or less unfriendly spirit on the part of the United States, particularly by the United States Senate. This is in contrast with the fact that Great Britain or this country, in approving of this Convention, does so, in my judgment, not from sympathy with the manner in which the liquor laws of the Untied States are enforced. If there was a consistent enforcement of prohibition throughout the United States, one might be sympathetic with the steps taken by the republic to the south of us and with as much assistance as possible being given for the enforcement of their laws; but it is a matter of wide comment that the contravention of the liquor laws in the United States is daily the subject of comment throughout the continent. It may therefore not be out of place to mention

the courtesy which has been extended by the British Government, and likewise the disposition of the Government of Canada to express approval of this Treaty, "lest we forget" the rather tardy treatment which has been accorded to us in the past in the consideration of our Treaties with the United States.

Hon. Mr. DANDURAND moved:

That the Senate doth unite with the House of Commons in the approval of the Convention between His Majesty and the President of the United States of America, signed at Washington on the twenty-third day of January, one thousand nine hundred and twenty-four, for the purpose of avoiding any difficulties which might arise between them in connection with the laws in force in the United States, on the subject of alcoholic beverages, a copy of which has been laid before Parliament, by inserting in the said Resolution in the blank space therein "Senate and."

The motion was agreed to, and it was ordered, That His Honour the Speaker do sign the said Resolution on behalf of the Senate.

HALIBUT FISHERY BILL

FIRST READING

Bill 21, an Act to amend the Northern Pacific Halibut Fishery Protection Act.—Hon. Mr. Dandurand.

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 Sir Louis Davies, K.C.M.G., Deputy of the Governor General, would proceed to the Senate Chamber this afternoon at 5.30 o'clock for the purpose of giving the Royal Assent to the Interim Supply Bill.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

The Right Hon. Sir Louis Davies, K.C.M.G., 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 certain sums of money for the public service of the financial year ending the 31st March, 1925.

The House of Commons withdrew.

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

The Senate adjourned until Tuesday, April 8, at 8 o'clock p.m.

THE SENATE

Tuesday, April 8, 1924.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Sir Allen Bristol Aylesworth, of Toronto, Ontario, introduced by Hon. Mr. Dandurand and Hon. Mr. McHugh.

DIVORCE BILLS

FIRST READINGS

Bill A, an Act for the Relief of Theresa Agnes Sprague.—Hon. Mr. Turriff.

Bill B, an Act for the Relief of Terry Andrea Maxwell Bruce.—Hon. Mr. Blain.

PROPOSED SUNNYBRAE-GUYSBORO RAILWAY

INQUIRY

Hon. Mr. LAIRD inquired of the Government:

1. Did the Department of Railways and Canals at any time cause their engineers to go over the proposed route and make an estimate of the cost of the proposed railway between Sunnybrae and Guysboro, in the province of Nova Scotia, or any other terminal on the proposed line of railway?

2. Between what points and over what route was the investigation made, and when was it made?

3. What was the estimated cost reported to the department by the engineers?

Hon. Mr. DANDURAND:

1. Yes.

2. Sunnybrae to Guysboro, including 12¼ mile branch to Country Harbour, 80½ miles; May, 1911.

3. Estimated cost, including terminals, Guysboro and Country Harbour, $4,176,078. Estimate based on location of 1907.

SOLDIERS' CIVIL RE-ESTABLISHMENT DEPARTMENT

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What was the number of persons in the city of Ottawa holding positions of emolument in the Department of Soldiers' Civil Re-establishment at December 31, 1921?

2. What is the number of such persons at the present time?

3. What is the number of persons who died and were otherwise removed from such positions since December 31, 1921?

4. (a) What is the number of persons appointed to positions in the said department in the city of Ottawa since December 31, 1921?

(b) What is the number of such appointed persons who were reported on by the Civil Service Commission and recommended by it as qualified for priority of appointment?

(c) What is the number of such appointed persons who were not so reported on and recommended by the Civil Service Commission?

Hon. Mr. DANDURAND:

1. 1,178.
2. 741.
3. Gross terminations,—614.
4. (a) 177. (b) None. (c) 177.

HEALTH DEPARTMENT

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What was the number of persons in the city of Ottawa holding positions of emolument in the Department of Health at December 31, 1921?
2. What is the number of such persons at the present time?
3. What is the number of persons who died and were otherwise removed from such positions since December 31, 1921?
4. (a) What is the number of persons appointed to positions in the said department in the city of Ottawa since December 31, 1921?
(b) What is the number of such appointed persons who were reported on by the Civil Service Commission and recommended by it as qualified for priority of appointment?
(c) What is the number of such appointed persons who were not so reported on and recommended by the Civil Service Commission?

Hon. Mr. DANDURAND:

1. 80.
2. 84.
3. 38.
4. (a) 42. (b) 42. (c) None.

RALSTON ROYAL COMMISSION

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What is the amount per diem—
(a) For services;
(b) For allowances, of each member of the Ralston Royal Commission on Soldiers' Civil Re-establishment and Pensions?
2. For how many days and between what dates have payments been made to each member of the Commission?
3. What are the respective amounts paid to each member of the Commission—
(a) For services;
(b) For allowances.
4. Are these the final payments to members of the Commission? If any accounts are still to be paid to them what is the accrued or accruing amount payable to each member of the Commission?
5. What is the total amount paid to other persons for secretarial and any other services in connection with the work of the Commission?
6. What is the total cost to the country of the Commission?

Hon. Mr. DANDURAND:

1. (a) Each Commissioner is paid $50.00 for each day occupied on the duties of the Commission.

Hon. Mr. TANNER.

(b) Ordinary travelling and incidental expenses incurred by the Commissioners are paid. A per diem allowance has not been fixed.

2. Chairman J. L. Ralston—229 days during the period August, 1922, to September, 1923.
Commissioner McKeown—231 days during the period August, 1922, to July, 1923.
Commissioner Dubuc—252 days during the period August, 1922, to September, 1923.

3.

Name	For Services.	For Allowances.
Chairman J. L. Ralston.	$11,450.00	$2,984.95
Commissioner McKeown	11,550.00	1,813.34
Commissioner Dubuc..	12,600.00	2,046.12

4. (a) No.
(b) Payment for twenty-one days' services, a total of $3,150.00. Accounts for travelling and other expenses for this period are not yet available. The final report of the Commission has not been completed.
5. $58,644.66.
6. Total payments from August 1st, 1922, to February 29th, 1924, $101,089.07.

GUYSBOROUGH RAILWAY

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did the Government between 1909 and 1912 invite by public advertisement tenders for the construction of a railway in Nova Scotia known as the Guysborough railway?
2. On what date was advertisement issued; on what date were tenders to be delivered to the Government?
3. Between what termini was the proposed railway to be built; and what was the estimated mileage?
4. If tenders were received from whom were they received?
5. On the basis of the tenders, respectively, what was the estimated cost of the proposed railway?

Hon. Mr. DANDURAND:

1. Yes.
2. August 12, 1911—Advertisement. September 15, 1911, Tenders receivable.
3. Guysborough to Country Harbour, 43.2 miles.
4. Nova Scotia Construction Company, M. J. O'Brien, Jas. H. Corbett, Kennedy & McDonald, S. Pearson & Son, M. P., and J. T. Davis, MacArthur Bros., John W. McManus Company.
5. $1,057,122.19 (Nova Scotia Construction Company.)

NOVA SCOTIA RAILWAYS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Has the Government any report or other statement in writing from the Board of Directors of the Canadian National Railways in regard to proposed

railways in Nova Scotia—Sunnybrae to Guysborough; and Lockeport Station to Lockeport—(a) advising the construction of the said proposed railways, and giving reasons for such construction; (b) disclosing proposed termini and the routes over which the proposed railways should be built; (c) giving estimates of the costs of construction of them, respectively; (d) giving estimates of the probable revenues and operating costs of each of them; (e) and recommending immediate construction?

The Government is asked to lay the report and statement on the Table of the Senate.

Hon. Mr. DANDURAND: Statement from Sir Henry Thornton, President and Chairman of the Board of directors, produced herewith, together with details with respect to the proposed construction:

1. Sunnybrae to Guysborough.
2. Lockeport station to Lockeport.

Canadian National Railways,
Office of the Chairman and President,
Montreal, Que., April 2, 1924.

Hon. Geo. P. Graham, M.P.,
Minister of Railways and Canals,
Ottawa.

Dear Sir,

With respect to the branch line programme of the Canadian National Railways, I desire to place before you the policy which governed the company in its recommendation, and the specific reasons and other data for the construction of each line.

In the preparation of the branch line programme, the following factors were given due weight.

(1) The money already spent and the work already done on each line, where such conditions existed;

(2) The strategic, economic and traffic value of each branch;

(3) The measure of relief afforded to farmers through shortening the road haul on grain and other products;

(4) A regard for the presumable aggregate sum which the finances of the Dominion would permit to be devoted to such a purpose.

After having given proper weight to the factors above mentioned, the programme which has already been submitted to you was prepared and in addition, it was suggested that the programme, should if adopted, be spread over a period of three years, the authority remaining alive until August 31, 1927. The objective sought in extending the life of the vote for three years was to provide that continuity of construction which is essential for economy and to enable the engineering and construction department of the railway, as well as contractors, to lay out their work in the most effective fashion. The practice is well recognized by private railways under whose administration sums, when voted by the shareholders, remain in the hands of the executive until the work is completed or authority rescinded. There would seem to exist an analogy between the shareholders of a private company in their relation to the executive, and the parliament of the Dominion of Canada in its relation to the Canadian National Railway system, which would justify such a policy if the experiences of private undertakings are of value.

Varying prices of labour and material, adverse climatic conditions and the difficulty of securing labour during the period of harvest render it imperative that an early start should be made each year if construction work is to be prosecuted with speed and economy and this, it is submitted, will not result if each branch line is to be subjected to an annual vote.

Appertaining to the Canadian National's branch line programme, for which you are submitting enabling bills to parliament, appended hereto are statements with reference to each line which set out the purpose and justification for each. While it is true that all of these lines may not be entirely justified from the present railway economic standpoint, particularly if viewed from their first few years' operations, broader grounds must be considered when preparing a system of feeders for a railway of the magnitude of that which has been entrusted to the present administration of the National Railways.

The first problem that arises from examination of the Canadian National Railways system is to ascertain the main and underlying cause of the deficits, and it is at once apparent that, although certain economies of operation and co-ordination of the various units comprising the system may materially improve the "net" position, the basic cause is found in the fact that the mileage is much too great for the traffic. The apparent answer to the necessity for more business is more people and a further development of these resources which nature has provided with a generous hand. This end can only be speedily attained by the immigration of both settlers and capital and my various officers and myself, realizing this need, have consistently endeavoured to promote both. No confidence can exist in those who lack faith in themselves. My survey of this Dominion gives me unlimited confidence in its ultimate destiny without which there could be no faith in the final success of the national lines.

Therefore we are looking to develop this vast country, at present but too sparsely settled, and asking people to emigrate and join us in this development. But what do we find? Certain sections of the country are losing the very population we are so anxious to augment. Why are these sections being depopulated? Chiefly through a lack of railway facilities, particularly on the prairies, and the question naturally arises, "Is not the settler, who has manfully demonstrated his ability to bring products from the soil, worth many times the untried immigrant? If we are to bring people into the country we should certainly not allow them to meet others who are departing in a discouraged frame of mind. Therefore, not only are branch lines necessary to develop the country and provide reasonable facilities for the immigrant, but also to retain that part of our population which has so courageously planted itself on the land.

It is not likely that the Canadian National Railways will suffer materially from a financial view, for three or four or perhaps five years if the branch line programme herein contemplated is abandoned, but it is inevitable, that should such a thing come about, at the expiration of a period of years the system will find itself robbed of all further opportunity for reasonable development. Strategic territories will have been seized by other transportation interests, and the railway will dry up at its roots. I can think of no more effective way to eventually bring about the ruin of the Canadian National Railway system than a refusal to embark upon and consistently maintain a branch line programme. No railway can stand still, and success can only be achieved by keeping abreast of the times in the fulfilment of transportation responsibility. This is even more important in a growing and rapidly developing country.

I particularly desire to make it clear that the recommendations herein contained are based not only on present day conditions but also have regard for the probable volume of traffic which would result from the settlement of the country in years to come.

I therefore endorse the programme which has been submitted to you as representing, after full consideration of all facts and factors, that minimum which is essential to the needs of the communities served by the Canadian National Railways, and the system itself.

Your faithfully,
H. W. Thornton,
President.

Sunnybrae. Mile, 0-67	Cost
Proposed in 1924..	nil
Proposed in 1925—67 miles grade..	$2,300,000
Proposed in 1926—67 miles track..	1,200,000
	$3,500,000

In 1924 no actual work of construction is proposed, but final survey will be run and in 1925, it is the intention to do the grading on the 67 miles from Sunnybrae to Guysboro at a cost of $2,300,000, and in 1926 to lay the track and complete the line to Guysboro at a cost that year of $1,200,000.

The purpose of the line is to open up the local territory for lumber industry and provide better facilities for agricultural products as well as give direct communication to Guysboro for its fishing and allied products. On part of the route there is considerable agricultural development, and quite extensive hardwood forests which the railway will make it possible to develop.

The original intention of the survey for this line had in view a low grade line with the idea of making it the main line. The results of the surveys indicated that to obtain this character of line it would be very costly, and on account of the fact that the present main line could not be abandoned, and would have to be maintained and operated, it could not be shown that such a line, with its excessive cost of construction would be justified. The present intention is to construct a line to open up the local territory and build it to cheaper standards of construction, but keep in view the eventual use of it for an alternative main line at any time this would be warranted. Therefore, the line will be located so that eventually a low grade could be obtained, but employ steeper grades for the immediate construction.

It has been estimated that there are 250 million feet of hardwood and 200 million feet of softwood available to the line, and also some possibilities in gold and iron mining which have not been developed, possibly due to lack of transportation facilities.

The justification for this line is that it will serve a section of the country that has been in long need of railway communication in order to give it a real chance for development and to put the town of Guysboro in direct rail communication with the Canadian National System

Lockeport Spur. Mile, 0-4—	Cost
Proposed in 1925—4 mile grade, 4 miles track.	$161,000

It is proposed in 1925 to grade and complete this spur of 4 miles in length from the station of Lockeport to the town of Lockeport.

The town of Lockeport is four miles from the station of Lockeport, and consequently the town has no direct railway communication. The purpose of the spur is to supply this deficiency.

CIVIL SERVICE HOURS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did the Government during 1922, or subsequently, receive from the Civil Service Commission, recommendation or regulation to the effect that the closing hour of 4 o'clock in the Civil Service should only be applicable to the months of July and August?
2. When was the recommendation or regulation made?
3. Did the Government approve of the recommendation or regulation as required by the Civil Service Act?
4. On what date was Order in Council passed approving such recommendation or regulation, and making it effective?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND:

1. Yes.
2. December, 1922.
3. Yes.
4. December 10, 1923.

THE TARIFF AND BRITISH PREFERENCE

MOTION FOR RETURN

Hon. L. O. DAVID moved:

That an Order of the Senate do issue requesting the Government to lay before this House statements and requests made by the Manufacturers Association in connection with the tariff and the preference granted to English products.

He said: In view of what has been published in the newspapers in reference to my question, I had the intention of speaking on the Address, and I rose twice to do so, but was too late, so that I shall accompany my motion with a few remarks.

I have been a sincere advocate of protection to industries during the last 60 years, and have during that time pressed my views as an apostle on all Governments, often to my detriment. When I read the Speech from the Throne at the opening of this Session I was a little anxious. I commenced to preach protection in 1871, when the census established the fact that between 200,000 and 300,000 of our people had left Canada to go and work in American industries. I then thought that the only way of preventing our population from going to the United States was to have industries established in Canada, and for that purpose it was necessary to give them protection. When I began to preach that doctrine 60 years ago the chiefs of both political parties were opposed to protection, they were more or less partisans of free trade, and naturally I was dissatisfied with them.

In 1875, when the Mackenzie Government came into power, I had a newspaper, which I had established chiefly in order to induce that Government to establish a protective tariff to assist industry. Unfortunately Mr. Mackenzie came to the conclusion that according to the constitution of his party he could not give what he wanted, and that the most he could do was to increase the protective duties by 2½ per cent. Hence I was obliged to suspend publication of my paper, because I could not continue without the help of the Government.

In 1878, two or three months before the celebrated elections of the 17th September, I was in the habit of playing quoits with Mr. Mackenzie on the exact spot where his statue has been erected. While playing that game we naturally discussed matters, and he once

said to me: "Well, Mr. David, we will have elections in the month of September or October; what do you think of them?" I replied: "Do you want me, Mr. Mackenzie, to say frankly what I think?" He said he did, and I replied: "Well, you will be badly beaten if you do not give a protective tariff. If you come before the people in such a time of crisis without saying that you have something to remedy the situation, the Conservatives will promise to give what is necessary to improve the financial situation, and you will be defeated." He then asked if I would give him my reasons for saying that, and I replied that as I was better at writing than speaking I would send him a letter the next day. I did so. In a long letter I gave my reasons for thinking he would be beaten at the election; and after he had read my letter, while we were playing our game of quoits, he said: "Your letter is not encouraging, and your prophecy really alarms me; but what can I do? All my people, the members for Ontario, say that they must go to the polls with the tariff as it is." I replied: "Oh, well, Mr. Mackenzie, you asked me my opinion, but naturally I do not pretend to tell you what you should do now." We all know the result; the Government was defeated; the Conservative party came into power.

At that time my partner was Mr. Mousseau, who became Prime Minister of the province of Quebec, and he remarked to me one day: "Do you know David, that we at least have forced Sir John Macdonald to give protection"—because, as I have mentioned, the chiefs of both parties at that time were opposed to protection, but Sir John Macdonald knew how to win elections, and he thought the best way to do so was to come before the people with a protective tariff policy, and he succeeded.

I congratulated the Government, but my Liberal friends did not congratulate me upon my congratulations to the Conservative party. I could not help doing so, however, because the Conservative party had kept their promises. The farmers, upon whom the Liberals were relying, as others do now, were easily convinced that industries were as necessary to them as to the other classes of the population, and they voted in favour of the Conservative party. The best teacher is experience, and I think my friends who are now relying on the farmers should remember what took place at that time.

I did not regret the position which I then took, because there is no doubt that the effect of the tariff of 1878 has been to create all those industrial establishments which give work to thousands of workingmen, and furnish home markets to our farmers, and which have been beneficial to all classes of trade. So much so that when the Liberal party came into power in 1896, with Mr. Laurier as their chief, although the leaders of the Liberal party were more or less free traders, they considered that in the interest of their party and in the interest of the country they should keep the tariff made by the Conservatives in 1878. It may be too personal to speak of myself in this way, but I remember that one day my great and noble friend Mr. Laurier said: "David, what do you think of the question of the tariff?" I said: "My dear Laurier, I see there is only one question, upon which I would vote against you. It would be cruel for me to vote against you, but on the question of the tariff I would do it if you presented a free trade policy." He said: "I know that you would do it, to be consistent."

If I take the opportunity to recall these things it is in order to explain the views which I have always held, and which I will hold to the end of my life, and to explain the position which I intend taking on this question at the present Session, if I am called upon to vote. Nobody will be surprised. I have always been in favour of protection, I am in favour of it more than ever now, in view of what is being done in all countries of the world, especially in the United States, and also in view of the position taken in England on the question of preference. More than ever do I feel that we are obliged to protect our industrial interests—at least, to keep our markets at all costs. It is said sometimes that protection increases the cost of living, although experience shows that it has not always that effect, and that after a certain time competition forces the manufacturers to reduce the price of their products. But let us suppose for a moment that is has that effect. Is it not better for our labour people and even our whole population to pay a little more for what they want than to have no money to buy anything?

Hon. Mr. CASGRAIN: That is all right.

Hon. Mr. DAVID: It has been said that the Government lost prestige because they did not carry out their promises. Is it not, on the contrary, because of the fear that they would carry out their imprudent promises and that the tariff would be reduced and the preference increased, that frightened our manufacturers and prevented them from extending their operations and putting money into industrial enterprises?

All over the country it is said that we want more population and that the Government cannot do too much to bring in immigrants. Well, in view of our people leaving Canada to go to work in the United States, do you not think that those immigrants will do as our own people are themselves doing—go to the United States to find work?

That manufactures are necessary to the welfare of the farmers has been clearly established by some farmers themselves, who have been frank enough to admit it. Small towns, as well as large, which owe their existence or their progress to manufactures, afford the best markets for farm and garden produce. The complaints against a protective tariff come particularly from the West—that great West that gives us so much trouble. What comes from those large and intelligent provinces is not always good. They want nothing to be protected except their wheat and their other products. If the Government of the day had listened to their requests, they would have made the farmers the only protected and privileged class in this country, by securing the highest price possible for their products; and everybody would be taxed except the farmer. The fact that they escape almost totally the tax on revenue shows that if the customs duties were abolished they would really contribute practically nothing to the cost of the adminstration of the country or to the payment of our debt. They cry for economy and at the same time for expenditure.

Hon. Mr. CASGRAIN: And for the building of the Hudson Bay Railway.

Hon. Mr. DAVID: And they would reduce Ontario's and Quebec's means of paying. We must admit that the farmers are entitled to all the protection and sympathy possible, because they represent the main element.

Hon. Mr. CASGRAIN: The base.

Hon. Mr. DAVID: Yes, the basis of the country's welfare. But they must take into consideration the needs of the other classes, and they ought to realize that industry is necessary to their prosperity, that without a protective tariff there would be no industry, and that if there is less industry, or none, the consequence will be to deprive thousands of our labour people of their means of living and oblige them to go and work in American factories. There will then be less population to buy anything, especially the products of our farmers, who will lose more than they will gain by that policy. The fact is that although the tariff upon farm implements, woollen goods and other articles has been reduced, the prices of those articles have not been reduced; they have even been increased. I repeat that what the farmers would gain by that policy would be very little as compared with the harm done to all the other classes of the population and even to themselves.

And now, in view of the financial situation of our country, how would the Government replace the customs duties, which form the best part of our revenue? It has been often demonstrated that not only have customs duties had the effect of promoting national industry, but they are easier to collect than other forms of taxation, less productive of fraud or false statement, and more practical, and they effect especially the classes of our population who are best able to pay. If taxation can be reduced, for God's sake let us reduce the sales and income taxes, which are so onerous, and which so many rich people and corporations know how to avoid in great measure. If the Government decided to reduce the customs duties, which are so useful, when they could reduce the income and sales taxes, which do so much harm, they would commit a great error.

I hope that the Government will not be influenced by the exigencies of one class to the detriment of the whole population of Canada, and that they will not abandon their policy of industrial stability, which has proved so good for the country. I hope they will not place those Liberals like myself between their duty to their conscience and to the country and loyalty to their party. I admit that their effort to reconcile so many and different interests deserves sympathy; but if they cannot keep power without adopting a policy so dangerous to the interests of the country, let them fall honourably with flying colours.

In conclusion, to be consistent, I would vote against all reductions of the tariff which would affect industry, and against any increase of the preference, and I would vote for the increase of duties on certain manufactured products, for the reduction of the preference, and for an export duty on some of our natural products.

Hon. Mr. CASGRAIN: Pulp.

Hon. Sir JAMES LOUGHEED: Good Tory doctrine.

Hon. Mr. DAVID: The protection of all the industries which exist or may be established, a reasonable duty on the export of our natural products, and a decrease of preference, would give more work to our labour people, would increase the purchasing power

of our population, and would give to our Government the means of reducing the sales and the income taxes, which are, as I have said, so onerous, and would thereby improve the financial condition of Canada and remove the fears which are entertained about its future.

Let us have a true Canadian and national policy, and like all the other countries of the world, and particularly England, be guided above all by what Canada, our beloved country, requires in order to reach its high destiny

I know that my views will displease some of my friends. It will not be the first time—and perhaps not the last.

Hon. Mr. BRADBURY: Sad.

Hon. Mr. DAVID: But they will forgive me an old man, for trying to be consistent and trying above all to satisfy my conscience and my judgment—for saying and doing what I have always thought necessary for the progress and welfare of our country.

Hon. Sir JAMES LOUGHEED: May I invite my honourable friend to come over to this side of the House?

Hon. Mr. CASGRAIN: It is not necessary at all. We started protection. You cannot have it all to yourselves.

Hon. Sir JAMES LOUGHEED: The whole of you better come over.

Hon. Mr. BRADBURY: About half would have to come over.

Hon. Mr. DANDURAND: I would like to know if there is any other honourable member of this Chamber who desires to speak on this question.

Hon. Mr. CASGRAIN. Yes; the honourable gentleman from Assiniboia (Hon. Mr. Turriff).

Hon. J. G. TURRIFF: Honourable gentlemen, I did not think that ever in the course of my life a speech like the one to which we have just listened would be taken by the Liberals in this House, with practically no one ready to reply to it.

Hon. Mr. DANDURAND: I rose.

Hon. Mr. TURRIFF: I will accept the statement of my honourable friend the leader of the House.

Hon. Mr. CASGRAIN: These are the real Liberals.

Hon. Mr. TURRIFF: I am not going to make much of a reply to the remarks of the honourable gentleman—

Hon. Mr. CASGRAIN: You could not if you wanted to.

Hon. Mr. TURRIFF: But I want to point out one or two statements that he has made and that I think almost every honourable member of this House knows to be not exact and not according to the facts. My honourable friend stated that the people of the West wanted protection only on what they produced themselves, and that they did not want protection on anything else. Let me tell my honourable friend and this Honourable House that the farmers of the West, time and again, in conventions at which there were hundreds present, demanded that there should be no duties put on wheat, or cattle, or anything else that they produced. That is the policy of the West. My honourable friend said that the East had to pay for the West.

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. TURRIFF: Let me tell my honourable friend this. Take the condition of the railways. They are not in a very good position to-day. Thank goodness, they are getting a little better. But what is keeping the railways up? It is the tonnage of freight produced in the West.

Hon. Mr. CASGRAIN: Oh, oh.

Hon. Mr. TURRIFF: My honourable friend may laugh as much as he likes. That is about all he is good for—laughing at anything that he does not agree with. But it is the freight of the West. My honourable friend, who is pretty well posted in railway matters, can look up the Canadian Pacific Railway evidence given before the Committees here, and he will find that the months in which they were handling the wheat from the West were the months when they made two-thirds or three-quarters of all the profits they made during the year.

Hon. Mr. CASGRAIN: And kept the cars idle nine months.

Hon. Mr. TURRIFF: It is well known that there is more tonnage of freight, for both railroads, west of Fort William than there is east of Fort William. That is a fact that has only to be stated. Still honourable gentlemen will say that the East has to pay for the West.

Another thing that the honourable gentleman who spoke last (Hon. Mr. David) said was that the home market was the market for the farmers of Canada. I would like to ask what proportion of the wheat production of the West is consumed in Canada by the entire population, farmers and all. All that the people of Canada, men, women and children, from the Atlantic to the Pacific, can eat in any one year is 50,000,000 bushels of wheat. Last year we grew 400,000,000 bushels of

wheat; where are you going to find a market for it? You cannot sell it in Canada. You have to ship that wheat out of Canada, as everybody knows perfectly well, and to say that the home market is a market for the farmers of Canada to sell their wheat in is talking absolute rot, and everybody here knows it.

Hon. Mr. DAVID: Will the honourable member allow me to say that perhaps I did not make myself quite clear. When I spoke of keeping our markets, I was not speaking of wheat particularly; I was speaking generally of our manufactured goods.

Hon. Mr. TURRIFF: Supposing that right —and I have no doubt it is right—if the manufacturers and all the people of Canada cannot provide a market for our wheat, what is there to do? Are we to stop growing wheat? How shall we pay for manufactured goods if we stop growing wheat?

My honourable friend referred to the fact that he is an old man. I am a pretty old man myself, and I can remember the election he speaks of in 1878. I took a very active part in that election and the election before it. But I can remember that shortly after 1878, when the protective tariff came into force, the whole cry of our friends the manufacturers in Canada was: "Give us the American tariff." That was their cry: "Give us the American tariff until we get on our feet, and as soon as we get on our feet we will be able to compete with the world." And that was Sir John Macdonald's idea right through. It was not his intention to establish a permanent high tariff; it was for infant industries until they were able to stand on their own feet, when competition would bring down prices. Those industries were of age fifteen years ago or more, and yet every year they are calling for more protection. Well, if high protection would make any country prosperous, surely to God this country ought to be prosperous, because we have had under the Conservatice Governments and under the Liberal Government since they came into power last, all the protection anyone could want, and still they are calling for more protection, and saying the country is going to the dogs.

Hon. Mr. BRADBURY: Did you not have high protection not only under this Government, but under Sir Wilfrid Laurier's Government from 1896 down?

Hon. Mr. TURRIFF: That is just what I said a moment ago; and still honourable gentlemen say the country is going to the dogs under high protection.

Hon. Mr. McMEANS: Would you reduce it?

Hon. Mr. TURRIFF: If factories are closing up, how are you going to keep them open by putting on double protection? As I say, the whole cry was: "Give us the same tariff as the United States." Why, to-day the Canadian manufacturer of agricultural implements can send his implements and repair parts into the United States absolutely free of duty.

Take the boot and shoe factories in Canada —and my honourable friends from Quebec know pretty well about that industry, because Quebec is the home of the industry in Canada. They know they can ship every boot they make into the United States, if they want to, and that they do not have to pay one single cent of duty in any shape or form. That is a fact, and you have only to look up the tariff to verify it.

Hon. Mr. McMEANS: How long has that been the case?

Hon. Mr. TURRIFF: Four or five years.

Hon. Mr. McMEANS: I had not heard it before.

Hon. Mr. TURRIFF: I am very glad to think that in my humble way I can give some information to my honourable friend; and I can assure him that the information is absolutely correct.

Hon. Mr. McMEANS: I am glad to get it.

Hon. Mr. TURRIFF: So you can see the manufacturers have not very much to kick about.

I may say to my honourable friend who spoke before me (Hon. Mr. David) that if the tariff is not cut down and reduced in many respects, just as he said, the Government will go out of power; and my honourable friend, I suppose, will be very pleased, because he is sitting in the wrong part of the House; he ought to be over on the other side, as was suggested by the leader of the Opposition.

Hon. Mr. DAVID: Would you have me do what you have done yourself?

Hon. Mr. TURRIFF: If it came to doing it again, if a great part of Canada would not take part in the defence of Canada, would not stand by Canada and the British Empire, I would do it again and do it gladly and loyally. Do not make any mistake about that. I am not so hide-bound that I would see the country ruined for party's sake. My honourable friend says he would leave his party on a matter of protection. I do not know that I would on a matter as small as that, but when it comes to a matter of the existence and safety of the Empire there is no one party or no dozen parties that would make me do what I believed was not in the

interests of Canada and the Empire in a national way.

Hon. Mr. DAVID: Then you admit there are circumstances under which a man may differ from his party?

Hon. Mr. BEAUBIEN: Would my honourable friend allow a question. Is he aware that the British preference has been increased on boots, and does he not consider that a reduction in tariff?

Hon. Mr. TURRIFF: Yes, I am aware that the British preference has been increased on boots and shoes; and I am also aware that 2½ per cent of the boots and shoes used in Canada during the past year were imported, and that because of that we have the Canadian manufacturers howling that they are being ruined.

Hon. Mr. BEAUBIEN: Does my honourable friend state that such is the proportion of boots now imported into Canada from England?

Hon. Mr. TURRIFF: It is the proportion for the last year for which we have the figures.

Hon. Mr. BEAUBIEN: Is he aware that the industry in the province of Quebec is seriously suffering from the importation of shoes from Great Britain?

Hon. Mr. TURRIFF: I am aware of that, to the extent of 2½ per cent.

Hon. Mr. CASGRAIN: And leather and hides for the farmer.

Hon. Mr. BEAUBIEN: So my honourable friend states that that is the percentage imported from Great Britain?

Hon. Mr. TURRIFF: Those are the latest returns we have.

Hon. Mr. BEAUBIEN: I am speaking of the present. The honourable gentleman does not know anything of the quantity imported now?

Hon. Mr. TURRIFF: I cannot tell you what was imported last week, but I can tell you what is shown by the returns of the Government for last year. I sat in the other end of this building and heard the statement made within the last ten days, so if my honourable friend wishes to accuse the Government of giving false returns and making false statements. I have nothing more to say in that regard.

Hon. Mr. BEAUBIEN: My honourable friend is talking of last year. He does not know that the quantity of boots and shoes imported from Great Britain has greatly increased since last year and is still increasing.

Hon. Mr. TURRIFF: My honourable friend may make his own statement. He can get the figures, perhaps, for this year, but I cannot give them any later than the last Government return, and I do not think he can either.

But that is the case of the manufacturer all the time. If there is a little competition and a small proportion of goods coming in from outside, he is up in arms and is going to close his shops unless he gets more protection; and if the Government chooses to listen to the cry from the high-protection, big interest end of the Liberal party, it will get what is coming to it whenever it faces the people of Canada.

Hon. Mr. CASGRAIN: I do not want to interrupt the honourable gentleman, but I think he is suffering from an illusion which should be dispelled. The officials who appeared before the Railway Committee of the Senate the Session before last and gave evidence under oath said that the receipts per mile of the Canadian Pacific railway—the best-established and the longest-established railroad in the three western provinces—were $8,000 per mile west of lake Superior, whilst east of lake Superior they were $11,000 per mile. I defy contradiction of this statement. Can you support railways better where you get less receipts? Can anybody show this honourable House that railways can be operated more cheaply in the West than in the East? The Canadian Pacific railway in the East, in Terrebonne, is paying $2.50 a day for ordinary labourers. Can they get them for that in the Northwest?

The grain, which is the cheapest thing the railways handle, is a very small proportion of their business, and to get that small proportion what is necessary? They must keep a lot of cars idle, commencing in the month of May, and must move them from the East to the West so as to have them ready to take the crop some time in August or the beginning of September. These cars are kept idle, and the people of the country are paying interest on them. An immense number of cars is required at a particular moment in order that the wheat can be moved to the head of the lakes, so that it may have the advantage of the cheap transportation by water. How can those cars earn interest on their cost when they are not required for more than three months in the year? And, further, during the time they are busy they have to be hauled back to the West empty to get the freight coming eastward.

Hon. Mr. McMEANS: Honourable gentlemen, I do not desire to make any state-

ment to-night on the question of protection or free trade. I would like to congratulate the honourable gentleman responsible for this motion (Hon. Mr. David) upon the stand he has taken. I have great respect for his opinion, and I congratulate him on his consistency in this matter.

But there was one thing that I objected to very seriously, and that was the reference to the West. There is a tendency on the part of some gentlemen in the East, especially in the great city of Montreal, to sneer somewhat at the West.

Hon. Mr. BEAUBIEN: We do not sneer.

Hon. Mr. McMEANS: There have been remarks that we are spoon-fed and that sort of thing.

Hon. Mr. CASGRAIN: If you had not been, you would not exist.

Hon. Mr. McMEANS: I am glad to hear the honourable gentleman at last declare himself. I think it is about time that sort of talk stopped. I would like to assure honourable gentlemen that the West is quite capable of taking care of itself. If you consider the position of the West, and what it means to Canada, then perhaps you will admit that the future of Canada depends upon the great West. The West has paid for itself over and over again. To-day you have knocking at the doors of this Dominion three western provinces asking for the control of their natural resources, which were taken over by the Dominion and dealt with by them.

Hon. Mr. DANDURAND: Under contract.

Hon. Mr. McMEANS: No matter. It is a very extraordinary thing to hear honourable gentlemen sneer at the West when it is defending its just rights.

Hon. Mr. CASGRAIN: Who bought the rights?

Hon. Mr. McMEANS: Who settled the West? The people in the West have paid for it time and time again, and as I said before, I only rose to make as vigorous a protest as I could against the statements made on the other side of the House in regard to the great West.

I hear honourable gentlemen talk a great deal about the manufacturers. Where would they be if it were not for the West? Who supported them during the last decade or so? Where would they be with their high protection, if it had not been for the West?

The honourable gentleman on the other side (Hon. Mr. Casgrain) is always very free with his statistics with regard to railways. While I would not accuse him of giving false information, I sometimes think the figures he quotes are not exactly what they appear to be. It is well known that there is not a branch line of the Canadian National railways in the West that does not pay for itself. I can give you the name of branch after branch that is paying—

Hon. Mr. CASGRAIN: Who said that?

Hon. Mr. McMEANS: Everyone knows it.

Hon. Mr. CASGRAIN: Except the Government. They say the books are not kept in such a way as to be able to tell.

Hon. Mr. McMEANS: I think the honourable gentleman made a statement dividing the East and the West. If he means that that portion west of Fort William is the West, and then skips the bridge north of lake Superior and refers to the remainder as the East, there may be something in it. But what is the use of talking in that way? If these honourable gentlemen, representing Canada, talk in that way about the West, let me tell them that is not the way to build up the country and to make a united Canada. The hope of the country is in the West, and I for one trust that while I keep a seat in this House those honourable gentlemen will refrain from making such derogatory remarks about the West.

Hon. Mr. WATSON: Come over to this side.

Hon. C. P. BEAUBIEN: For my part, I did not understand the discussion as dividing the East and the West; and why it is that some honourable gentlemen in the House, when agricultural matters come up, assume that the question of agriculture relates entirely to the West I cannot understand.

My honourable friend on the other side of the House (Hon. Mr. Turriff) said that the farmer required a much larger measure of protection. To him, the farmer is the man in the West, and to his mind, I suppose, there are no farmers in the East, and the only commodity produced by farmers is wheat, which has to be exported. That is why a discussion which never should have taken place has been precipitated.

My honourable friend here (Hon. Mr. McMeans) should not be so touchy if we of the older provinces claim that we have some farmers worth looking after. Some of them produce wheat; they also produce other things.

Hon. Mr. McMEANS: You never hear anybody of the West saying anything against them, do you?

Hon. Mr. BEAUBIEN: We do, in this way. The farmer is entirely ignored unless he produces wheat. The farming community produce perhaps $500,000,000 or $600,000,000 worth of wheat a year, but the total value of the agricultural products of this country is over $2,000,000,000, and the great bulk of the farmers of the East want protection.

I would like to hear my honourable friend addressing some of the meetings of the farmers in my province, where I know them well, and proposing to reduce protection, with the result —which they now can see—that their own sons, many of whom have gone to the cities and become engaged in manufacturing work, would have to leave the cities and find work in the United States. And this is all because of a weak-kneed Government that trembles because it hears voices from the West, such as that of my honourable friend who has the honour of representing singly the third party in this House, and reduces protection by increasing the preference or by cutting the protection from under the feet of people who have a great deal of trouble in defending themselves against competition. Surely there is one thing the farmer of the West must understand, and that is that he has a partner in the East. I know that the farmer in the West at the present time has no local market. But does not my honourable friend from the West understand that the farmer in the East has a local market upon which he depends, because he cannot export his commodities? You cannot export the products of mixed farming, but the wheat of the West can always find a market in the world.

For my part, I am sorry that a discussion on protection should find its point of cleavage between the East and the West. It should not do so. We should consider protection or any other policy in a broad-minded way as affecting the whole country. That is the way I look at the matter, and I do not think my honourable friend has the right to claim that he speaks for the farmers of this country.

Hon. Mr. TURRIFF: May I ask my honourable friend a question?

Hon. Mr. BEAUBIEN: Certainly.

Hon. Mr. TURRIFF: Then the idea of my honourable friend is that fair play for the farmer of the West, and to a large extent for the farmer of the East as well, is to have no protection whatever on what he produces, but that he ought to be willing to give 20, 25, 30 or 35 per cent protection to the manufacturer, who should get all the advantage of the tariff, while the farmer has to pay it.

Hon. Mr. BEAUBIEN: If that is a question, I understood clearly a moment ago from my honourable friend that the farmer in the West did not want protection.

Hon. Mr. TURRIFF: No, he does not; you cannot protect him.

Hon. Mr. WATSON: You cannot protect the farmer.

Hon. Mr. BEAUBIEN: He wants to have free access to the markets of the world, to sell and to buy his goods.

Hon. Mr. TURRIFF: No, not to buy his goods. You will not hear a prominent man among the farmers to-day advocating free trade. That is only a job put up on them by such honourable gentleman as my honourable friend who has just spoken, who tried to make out that the farmers' party want to have free trade. They are not asking for free trade; they are asking for moderate protection; and you would not get any leader among the farmers to advocate free trade. You ought to try to be fair in discussing this matter. They want moderate protection, and are willing to pay a good deal more for their goods, because they know that some revenue has to be raised by the tariff.

But my honourable friends, more especially those from Montreal, want to have the tariff put away up, so that not only the farmers but the labouring classes and the consumers—and we are all consumers—will have to pay much more for what they buy and use than they would under a moderate tariff.

If the Government increases the British preference, or lowers the tariff on the main necessities of life, they will be doing a good thing for the people of Canada. If the manufacturers of this country, who have cheap electrical power, and the very best class of labour in the world, cannot exist under a tariff of from 15 to 20 per cent instead of 30 or 35 per cent, then I say they ought to go out of business, and into something else where they will not have to make their living by robbing some other class of people in the country. But even if the tariff were cut in two right among the whole line, I do not for one moment believe that a single institution would be closed up. On the contrary, a period of success and good business throughout the country would be brought about, and the manufacturers in Canada would secure the best market they could possibly get among the successful farmers from the Atlantic to the Pacific.

Hon. G. D. ROBERTSON: The important subject which the honourable member from Mille Iles (Hon. Mr. David) has

brought before this House is such as to command, and I think demand, some real attention from us. That honourable member, because of his ripe experience and mature views, sees the real danger that confronts this young nation to-day because of the drift of the present Government and its policy.

Hon. Mr. TURRIFF: The same policy you advocated when you were in the Government.

Hon. Mr. ROBERTSON: If my honourable friend will lend us his attention now, he can make another speech when I am through if he so desires. There was a time 40 years ago, about 1878, when a situation similar to the present one faced this young country, and every man of experience and foresight who was a student of that day agreed, regardless of what his political affiliations had been, that protection was a policy that should be adopted in order to build up the nation. It was adopted, and carried on by successive Governments, regardless of their political complexion, until the Great War intervened.

Following the war, changed conditions throughout the world have upset the international equilibrium, so that to-day it is necessary to reconstruct our domestic affairs to meet existing world conditions. Prior to 1914, and indeed for some little time after that, the tariffs of Canada were so adjusted that trade was flowing freely and fairly, and at the same time our home industries and those engaged therein—because when I refer to manufacturers I include the million workmen in their factories—were reasonably protected and able to carry on.

After the war was over, with currency depreciated in so many countries of the world, with approximately 60 countries raising their tariff walls against us, with cheap labour in many other countries because of their depreciated currency—the cost in our currency to the manufacturer of the other countries being infinitisimal as compared with the cost to the manufacturer in Canada—all protection that the tariff had afforded previous to the war was in many cases entirely wiped out. That is the situation with which a number of our industries are confronted to-day: we are in competition with products manufactured in countries where those conditions prevail.

We are all prone, I assume, to view public questions from the standpoint of our own particular community, or the part of the country in which we reside. I think it is unfortunate that any of us should take exception to the view that a gentleman from some other part of the Dominion strongly holds. We ought to exercise all the charity towards each other that is reasonably possible, having due regard to our own dignity. But when one travels extensively through this broad Dominion, and especially during a long period of years, and has a wide acquaintance with men and affairs in every part of the Dominion, one naturally has his viewpoint broadened, and has more knowledge of and sympathy with the needs of the people in various parts of the country than would be possible if his experience were confined wholly or largely to a given locality in a particular province.

Eastern Canada has spent an enormous amount of money for the development of the West, while the West, by reason of its development, has supplied a vast store of national wealth which has during a number of years been constantly and gradually increasing in volume. That interchange has been useful to the country as a whole, and ought to cement the bonds of Confederation rather than have any other tendency. It is true that many railway facilities such as elevators and canals in the East would never have existed had it not been for the necessity of providing facilities for transportation of the products of Western Canada in large quantities at the cheapest possible rates.

It is true that the population in Western Canada is very small as compared with that of the East; yet the people there have consumed some of the manufactured goods of the eastern part of the Dominion. But when the eastern manufacturer, for example, the agricultural implement maker, realizes that the value of agricultural implements has dropped from $42,000,000 to $16,000,000 in a year, and knows that organizations of agriculturists in Western Canada, on a large scale are, by organized and determined effort, refusing to buy even a hoe or a spade made in Canada, we begin to understand some of the reasons for the antagonism that sometimes breaks out. It is unfortunate that that should exist, but it does.

I want to point out that the views expressed by the honourable member for Assiniboia (Hon. Mr. Turriff) on the question of tariff and protection for the agricultural industry, are not by any means those unanimously held by agriculturists in Western Canada. I had the honour and privilege of accompanying the Finance Minister of the late Government on a trip throughout Canada, listening to the views of everyone who desired to speak on the subject to the Tariff Commission. I remember very well one extensive farmer in the province of Alberta,

who came before the Commission and made a statement which, in effect was this: "I assume, gentlemen, that the views I propose to express will not meet with very great sympathy from the farmers in this locality, who have, through their representatives, made statements to you to-day, but I want to assure you that I am absolutely opposed to the lowering or removing of the duty on agricultural implements, and I will tell you why. I own two sections of land in what is called a dry area. For the past two years we have had but little rain, and my crops were poor, and the straw was so short that the binder would run over it and not save the crop. I was therefore compelled to purchase two headers. They cost scarcely as much as binders to construct, but what did I have to do in order to get headers? In the first place, I had to pay for them in advance, though I could get a binder on easy terms of payments extended over a substantial period of time; and I had to pay exactly double the price of a binder in order to get the header, because headers are not manufactured in Canada."

Hon. Mr. CASGRAIN: Will the honourable gentleman tell us what headers are?

Hon. Mr. ROBERTSON: A header is a machine for cutting grain when the straw is only 8 or 10 inches high, and it gathers the grain off the straw when there is not an ordinary crop.

Hon. Mr. DAVID: Where does the farmer buy them?

Hon. Mr. ROBERTSON: In the United States. The farmer to whom I referred went on to say: "I hold that if the duty were taken off agricultural implements entirely, as is proposed, the time would speedily come when the American manufacturer with his large production and small unit-cost would, if necessary, sell his goods in Canada at an absolute loss, for a brief period of time in order to put the Canadian manufacturer out of business entirely; and then I and all my neighbours would pay through the nose for binders, mowers and plows, just as I had to do for headers." I am not advancing any opinion whether that is a good argument or not, but I am stating that that was the argument very forcibly advanced by that large farmer in Western Canada.

I am very much interested in the subject of protection from another standpoint, that of immigration, and from the standpoint of employment for hundreds and thousands, indeed more than a million of industrial workers in Canada to-day. I want to point out to this House in all sincerity that some things are happening in this country, the significance of which we probably do not appreciate. I would like to ask honourable gentlemen if they have seen an American industry established or a new factory started in Canada in recent months or, indeed during the last couple of years? On the other hand, the Americans are closing their Canadian factories. We had over 600 of them here. Have honourable gentlemen seen any increase in the industrial population of Canada during the past few years? On the contrary, during the past 12 months 200,000 men with their dependents have had to take their little all and leave their native land in order to obtain employment and earn a livelihood. This Government might just as well have deported 200,000 honest Canadian workmen last year as to do what they did; yet they are persisting in that policy of tariff reduction—why? I am satisfied, it is not because the Government of the day believes in that policy, but because they are hopelessly helpless to do anything else.

During the past two days we have seen a very substantial delegation coming down from Western Canada, speaking for the elements who have been crying for economy, yet demanding the expenditure of approximately $50,000,000 for the completion of a railroad that will never earn the axle grease that will grease the wheels.

Hon. Mr. SCHAFFNER: That was said some time ago about the C. P. R.

Hon. Mr. ROBERTSON: I am stating that about the Hudson Bay Railway, and all that is necessary is to call up the records of the investigation made by the Department of Railways when Hon. Mr. Cochrane was Minister of Railways, and see what the facts are. The most careful investigation was made by a vessel sent by the Government in August to explore the Hudson Straits, and to report to the Government as to the possibilities of summer navigation. It is clear to anybody who has followed that subject that for the purpose of exporting wheat from western Canada to the European market the Hudson Straits route will never be feasible.

Hon. Mr. WATSON: This House made a report on that subject.

Hon. Mr. ROBERTSON: I hold, furthermore, that if the Hudson Bay Railway is ever useful for anything it will be to carry the iron ores from Belcher Island, situated in Hudson Bay, where there are large deposits of

iron ore, to smelters that will some day be located on the top of the coal fields in the province of Alberta, and that wheat will be brought as return cargoes. We will be loading cars both ways from Fort Churchill or Port Nelson, whichever may be the best port, to a port in the vicinity of the present Moose Factory, and thence by rail to the city of Quebec, You will thus get a 300 miles shorter rail haul, and a 400 miles longer water haul, than by the Great Lakes route. It may be feasible to utilize the Hudson Bay Railway in that way some day, but it will never be feasible to work the Hudson Bay Railway for an export business.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. ROBERTSON: Now, honourable gentlemen, let us pause just a moment and realize that there has been a parade of approximately 500 men for very working day during the last twelve or eighteen months. continuously marching past, leaving their native land and going to the United States to find work and earn a living.

Hon. Mr. HAYDON: Does the argument go to this, that if protection were largely increased this departure of people from the country would cease?

Hon. Mr. ROBERTSON: I will come to that in a few moments and, I hope, answer my honourable friend's question clearly. There is surely a remedy, but that remedy will never be found, honourable gentlemen, so long as the exodus continues and consequently the burden of taxation upon those remaining increases. The fact that our neighbours to the south are recuperating and reducing their rate of taxation will only aggravate the situation. So long as there is an exodus of people, so long as there is decline in industry instead of development, so long will this situation continue and the more serious will become our railroad situation each succeeding year.

In spite of all this, we have before us now, or in sight, proposals for the expenditure of public moneys that will run approximately to $150,000,000, which Parliament is encouraged and asked by different interests to grant for various purposes. Have we any idea as to what is the burden of taxation upon the people to-day? Municipal, provincial and federal obligations of this country to-day total approximately five billions of dollars. At 5 per cent what do we have to pay? About $250,000,000 or $225,000,000 in interest charges alone; and that is an annual tax. We have in Canada to-day between two and three million men and women who may be regarded as actual producers of wealth, engaged in various sorts of activity. I do not attempt to confine that total by any means to wage earners. Out of a population of 9,000,000 it is surely true that there are less than 3,000,000 who are doing the work of the country. Divide an annual burden, in interest alone, of $250,000,000 among 3,000,000 people, and you begin to realize the burden of taxation that rests upon every individual in this country. A means must be found, and found quickly, to turn this tide. Over $100,000,000 of increase in the public debt in the past two years, since a Government pledged to economy and cost of living reduction came into power, and the merry chase goes on, with an expenditure of $150,000,000 in sight right now, being asked for largely by those who are advocating and demanding economy. We have just witnessed in the province of Ontario an excellent illustration of economy as practised by a political party who preached it.

As to the remedy, I hold that to restore international equilibrium it is absolutely necessary that an all-round increase in our tariff should take place quickly. It should be in my opinion a perpendicular increase. Let it be investigated afterward. Increase the general, preferential and intermediate tariffs, and then do what is in my opinion a sensible thing: that is, endeavour as far as possible in the future to remove the question of tariff from the political arena. That cannot be done so long as the tariff is made a political football. I submit to honourable gentlemen and to the House this thought, that there should be attached to the Department of Finance a number of men, three or perhaps more, well skilled and with a complete and accurate knowledge of trade and labour conditions in and out of Canada, and that those men should have unlimited investigating powers, should listen to the complaints and requests of manufactures and consumers, and make concrete recommendations to the Minister of Finance, who must in the final analysis take the responsibility of action. In other words, a body somewhat like our present Railway Commission so far as investigation is concerned, should have the power to hear and investigate complaints and requests and the Minister and the Government in office at the time must of necessity make decisions.

Then the sales tax should be reduced at least to the level of two years ago, and it should be entirely eliminated as quickly as is possible from a revenue standpoint. In the platform of principles that they announced to the people, in 1919 the present Government promised by tariff reduction to decrease the cost of living, and there were hundreds of thousands of working men who felt that they

were toiling under a burden of taxation by reason of the tariff, as they had been taught for years, and who voted for the party that gave that pledge. That pledge has not been kept, but instead the cost of living has increased. We need only look up the records in your own Department of Labour to see that from July 1920 down to December 31, 1921, the cost of living dropped about 37 points; that it lowered a little further, just a point or so, in the months of January and February, 1922; when the Budget was brought down, early in 1922, the cost of living stopped going down, remained almost level, fluctuating just a little during that year; then there was a distinct and substantial increase, and it is to-day higher than it was on December 31, 1921, when this Government took office.

Hon. Mr. BELCOURT: That is not owing to any change in the tariff. The tariff is the same.

Hon. Mr. ROBERTSON: That is due to the fact that the Government took off 2½ percent on a few insignificant things and added a 6 per cent sales tax on pretty nearly everything that the working man consumed.

Hon. Mr. DANDURAND: Added a 6 per cent sales tax?

Hon. Mr. ROBERTSON: Raised it to 6 per cent. I stand corrected to that extent.

Hon. Mr. DANDURAND: Yes, raised it by a very small fraction, if at all.

Hon. Mr. ROBERTSON: In addition to that, the sales tax regulations were extended to articles that were not formerly covered at all. For example I will point out just one class of articles. A great many people living in rented homes, who have not the facilities for laying by their winter supply of food, buy immense quantities of canned goods. Pease, beans, corn, or anything you like in the vegetable line, do not carry a sales tax until they are put into cans, but the moment they are canned they become taxable, and the working men to-day, by the hundreds of thousands, are paying a 6 per cent sales tax on every can of peas, beans, corn, etc., which they did not pay at all until this present Government imposed that special tax upon the wage earner.

Hon. Mr. BELCOURT: Does my honourable friend pretend that the raising of the tariff generally, as he advocates, will have for its effect any reduction in the cost of living?

Hon. Mr. ROBERTSON: In reply to that I desire to confirm and endorse absolutely the utterance of my honourable friend from Mille Iles (Hon. Mr. David), that a workman would much prefer to have the cost of living level maintained, or perhaps raised a little, and have employment, than to be out of a job and have to pay the prices he is paying to-day, because the reduction in tariff, that my honourable friend refers to and would like to emphasize, has resulted not in a decrease in the cost of living, but an increase.

Hon. Mr. BELCOURT: That is begging the question.

Hon. Mr. ROBERTSON: It is not. I beg the honourable gentleman's pardon. I do not see how that could possibly be.

Hon. Mr. BELCOURT: Another question which seems to me an important one: this result which my honourable friend foresees, and which I cannot foresee, will at least take a rather long time to make itself felt. It cannot be accomplished over-night. What is going to become of this exodus in the meantime?

Hon. Mr. ROBERTSON: I assume it will continue until something is done to stop it.

Hon. Mr. BELCOURT: Exactly. Then you will not stop it.

Hon. Mr. ROBERTSON: If my honourable friend and the Government which he supports will do what the honourable leader of the late Government did in 1921, when he still had a majority of nineteen in the House of Commons and about thirty in this Chamber—said, "If it will stabilize the situation in Canada and bring about more settled conditions and cause business to settle down quickly to normal to have a general election now, we will have it"—

Hon. Mr. DANDURAND: Oh, that is the remedy?

Hon. Mr. ROBERTSON: No, No; I am not suggesting that. I say that if the Government had sufficient courage, as the honourable member who introduced this motion suggested, and were not dependent upon the party which my honourable friend from Assiniboia (Hon. Mr. Turriff) supports to remain in power, but would come forward and say, "Let this question be decided on its merits by the voice of the people," I am satisfied that to-morrow the people of Canada would stand by a policy of adequate protection. If they did not, we should not have anything more to say. I hold that if the tariff were adequately and quickly increased and steps taken such as I have pointed out, to do justice to all parties concerned or interested in tariff matters, the effect would be quickly to stop emigration and restore confidence, capital would flow in, and industry would again

expand. But until that is done emigration, depression in business and timidity of capital will continue and the present situation will grow worse from day to day, until a provoked populace rise up and demand that some action shall be taken and that this pussyfooting shall cease.

Hon. R. DANDURAND: May I take it for granted that I close the debate?

Hon. Mr. ROBERTSON: As far as I am concerned.

Hon. Mr. DANDURAND: If nobody else desires to speak on this matter. I will say but a few words. If there is anyone in this Chamber who is handicapped in expressing an opinion on tariff conditions at present it is probably the member who now has the floor, because it is understood that the policy of the Government will be propounded within forty-eight hours.

I desire simply to say few words of a general nature. In the discussion of the Address I mentioned the fact that tariff making was not an easy matter; that the adjustment of the tariff had been tried by all governments since 1867, and the tariff gradually brought to its present state. I added that the manufacturers in their own branches, had themselves tried to prepare an ideal tariff and had failed in the attempt, because they could not reconcile the conflicting interest of their various sections. We have here an honourable gentleman, who claims to speak more particularly for the interests of the Western farmer, the honourable member from Assiniboia (Hon. Mr. Turriff), stating that there is no free trader even in that section of the country; that what the West wants is a fair tariff; that the farmers of the West, like the farmers of the East, are ready to contribute a certain share of the revenues of this country for the carrying on of the Government. The honourable gentleman has said that the representatives of the West are ready to sit down and discuss with those of the East, and with the manufacturers and agree to a fair apportionment of the burden—an arrangement which will be fair to the manufacturer, if it be but an incidental protection, provided it is not too heavy upon the consumer. Right here we see that it is a question of adjustment. In the conditions confronting us it is not a question of doctrine. There is not in this country a protectionist or a free trader There are those who are interested more particularly in the industries of the country, whose only ideal would be an increased tariff. There are others who feel that these manufacturers should not have the whole say. Now, what is the condition in the country?

Hon. Mr. ROBERTSON.

Hon. Mr. BENNETT: Pretty bad.

Hon. Mr. DANDURAND: But I am limiting the question to the tariff. On the whole the situation is not too bad, as I told my honourable friend, because our production, industrial and rural, has considerably increased during the last twelve months. Now, what is the condition as regards the tariff? Can it be said that the Conservative party backs to the limit the manufacturers' demands for a higher tariff?

Hon. Mr. SCHAFFNER: No.

Hon. Mr. DANDURAND: Here is an answer.

Hon. Mr. BRADBURY: That is a lone voice.

Hon. Mr. DANDURAND: A lone voice? But I would draw the attention of my honourable friend from the same province to this situation, that the former Government, which included five or six honourable gentlemen who are members of this Chamber, made two cuts in the tariff within the two years prior to their going out. They reduced the tariff twice. And all the representations that have come to me from the manufacturing interests complain of the fact that during the last four years there have been two cuts in the tariff. This Government has made only two, by increasing the preference twice. If there is any merit or virtue in the actions of the preceding Government in tariff adjustment, then they were favourable to a reduced tariff.

Hon. Mr. BRADBURY: Would my honourable friend point out to the country from the cuts made by the late Government?

Hon. Mr. DANDURAND: I said my statements would be of a very general order, because, as I said, very soon the policy of the Government would be made known. But what I want to draw to the attention of this Chamber is the fact that the tariff is a matter for periodical adjustment. There are high protectionists in the Conservative party, and I find some even in the Liberal party. But let us not forget that Liberalism calls for greater freedom in all fields and that the natural tendency of the Liberal party and Liberalism is towards greater freedom in the economic field. It may be said that the tendency is not apparent in this Chamber this evening; but I answer that Liberalism has its advance guard and its rear guard. I

have always told my honourable friend from Mille Iles (Hon. Mr. David) that he represented the rear guard, and was one of those lagging far behind.

Hon. Mr. DANIEL: It is the other way about.

Hon. Mr. DANDURAND: Yet I respect his views. The first virtue in a democracy should be sincerity, and when my honourable friend or anyone else in this Chamber rises to express his opinions, he is entitled to the respect of all the members of this Chamber, once it is known that his views are sincere.

My honourable friend from Montarville (Hon. Mr. Beaubien) said that the farmers of the West were clamouring for a reduction of the tariff, and seemed to want to monopolize the interests of the farming community, forgetting that there was such a thing as an Eastern farmer. I would draw his attention to the fact that some three or four weeks ago a delegation, purporting to represent the farmers of Quebec, visited the city of Quebec and made certain demands upon the provincial Government. Some of them went beyond the field of provincial jurisdiction. They received a certain answer, and asked leave to deliberate again; later they came back and asked the Minister for certain things that would help the farming community, and amongst them was a reduction in the tariff.

Hon. Mr. BEAUBIEN: On boots and shoes?

Hon. Mr. DANDURAND: I hear the question: "On boots and shoes?" In answer to that question and the statement of my honourable friend from Mille Iles (Hon. Mr. David) that there is at present a certain depression in the country owing to the fact that the people of the country are fearful that the tariff will be revised downward and have therefore stayed their hand awaiting the pronouncement of the Government, let me refer to the remarks of the President of the Chamber of Commerce of Montreal, Mr. Joseph Daoust, a boot and shoe manufacturer, in an address to the commercial travellers. As the report of this address is in French, I will ask the indulgence of the House for my translation. Here is how Mr. Daoust diagnoses the present condition of the country:

Like all physical and moral diseases, business has also its indigestion and congestion. What are some of the causes? One of the principal ills of business has been the mania to become rich quick without overwork and without any care for economy. In 1911 there was wild speculation in real estate here and everywhere. Every little piece of property on the Isle of Montreal was offered for sale. The people forgot one thing—the necessity of a sufficient influx of population. A great deal of money was made through speculation. How many have kept it? In 1914 the war came, and everyone wanted to have a hand in shell making. The consequence was a great increase of wages. But who economized in anticipation of the time of reaction? In 1919 there was a scarcity of goods, and everybody rushed to buy. "Prices are going up," could be heard everywhere. The commercial traveller, like others, took advantage of the situation. Business at that time made extravagant profits. Manufactures were increased, but the manufacturers forgot just one thing—that the crash would come.

In 1920, and still to-day, another congestion and another indigestion: manufactures too large, too numerous; a surfeit of production with an insufficient market. One thing was forgotten, and that was to take into account the consumption. These are the principal causes of the stagnation. To maintain the volume of business of 1918 and 1919 business men had recourse to three means: cutting prices, indiscriminate selling, and special sales. These courses were all wrong, because in cutting prices, legitimate gain was denied to a competitor; in selling to doubtful purchasers one had to face the risk of bankruptcy, and liquidation sales tended to shake confidence. The remedy is to restore confidence. Let us not forget that the seven years of leanness will be followed by seven years of abundance. We are in the time of purgation and reaction. Let us not lose our heads. Let us do less business, but do it wisely. Let us carefully watch our accounts and our credits.

The commercial travellers have in their hands the remedy for the present distress: it is to be conscientious, to guard alike the interests of their principals and their customers—not attempting to set up more traders where there are already sufficient, nor to stimulate over-stocking at the risk of overwhelming their customers with indebtedness. It has been said that commercial travellers are fine posers, great talkers, but small doers. Let them rather be great and honest doers. Among them there are both pessimists and optimists. Excess in either direction is to be avoided. If the skies are dark to-day, there will surely be a morrow serene and sunny.

Let travellers, then, fulfil their mission without flinching and with intelligence, correcting by good counsel the errors of the past, avoiding over-buying, over-selling, and overholding, and guarding against bad credits. By these means you will render to commerce the service which it expects from you.

I think that this is the main part of the address of Mr. Daoust.

Here is a business man, a boot and shoe manufacturer, who states what he considers to be the ills that affect business at the present moment. He does not touch at all upon the fact that a slight increase in the British preference may have brought about a slight increase in importations from Great Britain. Like most business men, he knows that owing to the depreciation of currency in other countries there has been more importation into this country than has been caused by the modest cuts in the preference that have taken place.

What conclusion can we draw from what we have heard on both sides of this question this evening? One thing is certain: Tariff making is a most difficult business. It is not a doctrine which divides the two parties. The Conservative party since 1878 has rested

mainly upon the manufacturing interests, the industrial class; and this was their mainstay for the National Policy, as they called it. The Liberal party, which naturally inclines towards the masses, and tries to better their condition, has been constantly thinking of the consumer. To-day again the two parties are standing face to face, divided on the same lines. The Liberal party are trying to do what is fair by the manufacturer and the industrial classes, but are not forgetting that vast constituency composed of the consumers and purchasers of industrial productions.

Hon. Mr. ROBERTSON: Assuming that the honourable gentleman is correct in saying that the Government are mindful of the consumer rather that the manufacturer, how is it that the decrease in tariff that occurred during the past two years resulted in a raising of the cost of living to the consumer in Canada?

Hon. Mr. DANDURAND: I will not admit that what has been done with the tariff during the past two years has had the effect of increasing the cost of the goods to the consumer. That would be paradoxical.

Hon. Mr. ROBERTSON: But it is true.

Hon. Mr. DANDURAND: If that were true, then there would have been a decline in importations of the goods that we are manufacturing, whereas on the contrary there has been a slight increase in the importation of boots and shoes from Great Britain. I have had occasion to tell my honourable friend that we are turning in a vicious circle; that the high wages we are paying throughout the land—in the mines, on the railroads, and so on, in spite of the statement of my honourable friend that there has been a reduction in the wages of railway men everywhere—have been among the principal factors in the increased cost of living.

Hon. Mr. ROBERTSON: Let me again point out to my honourable friend the fact that wages to-day are substantially below the level of two years ago; the tariff is below in some respects; the cost of living is higher.

Hon. Mr. BELCOURT: People are now content to do with a great deal less than they were doing during the war. That accounts for the fact that people are buying less.

Hon. Mr. DANDURAND: I am very much surprised to hear my honourable friend mention an increased tariff as a remedy for present conditions. When he had power he thought it best to reduce the tariff. Three years ago it was reduced twice. When my honourable friends reduced the tariff emigration was taking place, and it was taking place in 1920.

Hon. Mr. ROBERTSON: May I again call the honourable gentlemen's attention to the fact that when the late Government took off the special war tariff, the debacle of decreased and depreciated currency in other lands, and the increase in the tariffs of other lands had not taken place to any extent. Had that occurred prior to that action, the late Government, I am satisfied, would never have made this revision of the tariff; and had it the opportunity to-day to apply the remedy, it would quickly do so.

Hon. Mr. DANDURAND: I am not in a position to tell my honourable friend what remedies will be proposed within forty-eight hours by the present Government, but I hope he will find some comfort in what is proposed. I know very well the effect throughout the world of the depreciation of currency. I know that conditions are universally abnormal; but I believe, as Mr. Daoust says, that we are passing through a period of depression, and that while everyone is working we are gradually moving towards better days; and there is hardly any unemployment in Canada.

Hon. Mr. ROBERTSON: There were 1,065 unemployed registered in this city two weeks ago.

Hon. Mr. DANDURAND: That is the natural unemployment during the winter months, but we are coming into the spring. I know that on the island of Montreal, with a population of 800,000 or perhaps 900,000, there has been less unemployment during the winter months just past than there has been during a similar period in ten years; and there was a time during the last twelve months when we were short of labour in certain lines. Consequently the situation is good. I realize that profits are not as large as they have been, and that we must work on a smaller margin. That, I think, is one of the causes of the dissatisfaction that we hear of. During the war and the two years that followed profits were large. Those profits have come down gradually, and men now feel that they must use all their energy to meet competition from inside. During the five or six years that preceded 1921 people were making big money, but they will now have to return to normal conditions, and I feel confident that Canada will be the first country to reach the sunny side of life.

Hon. Mr. BRADBURY: I would like to ask if it ever struck the honourable gentleman that one of the causes of less unemployment in Canada was that a large number of men, about 300,000, crossed the line last year.

Hon. Mr. DANDURAND: I am not ready to admit that figure. There is a movement to and fro across the line, and I am quite sure that there has been a larger proportion from the farms than from the cities, at all events in the province of Quebec. The reasons I have stated before: the farmers did not lay anything aside when they were making big profits; they became extravagant; they increased their comforts; they even went into some speculations and were caught, when prices went down, with some obligations. At the same time, the ports of the Atlantic were being closed to immigration from Europe, but not from Canada, so the wages on the other side increased. But I may inform my honourable friend that there is today a depression in the milling centres of the New England States, and there is a movement among our people to return to the province of Quebec. My honourable friend must not forget that when we are moving towards readjusting the tariff to meet the conditions of the whole country, we are simply implementing statements which were made at the last election.

The motion was agreed to.

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

THE SENATE

Wednesday, April 9, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill C, an Act for the Relief of Rilla May Freeman.—Hon. Mr. McCoig.

Bill D, an Act for the Relief of Jessie Maria Watchorn.—Hon. W. B. Ross.

Bill E, an Act for the Relief of Walter Scott Miller.—Hon. G. V. White.

Bill F, an Act for the Relief of Harriet Bertha Wiser.—Hon. W. B. Ross.

Bill G, an Act for the Relief of Esther Mary Edwardes St. George.—Hon. W. B. Ross.

Bill H, an Act for the Relief of Mabel Peters.—Hon. Mr. Willoughby.

Bill I, an Act for the Relief of William Thomas Trott.—Hon. Mr. Willoughby.

Bill J, an Act for the Relief of Lucy Elizabeth Smith.—Hon. Mr. Willoughby.

PENITENTIARIES BILL

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill 12, an Act to amend the Penitentiaries Act.

He said: Honourable gentlemen, this Bill has a double purpose. Its first object is to place all inmates of penitentiaries in the same position with regard to the powers of the warden and the officers; in case of escape, for instance. In the penitentiaries there are convicts who have committed felony, and there are others who have committed misdemeanors, and a different rule applies to each class. I may illustrate it in this way. Those who are in the penitentiary under conviction for felony, if they attempt to escape, are liable to be shot at by the guards, who have power to resort to shooting; whereas in the case of a convict imprisoned for a misdemeanor it is very doubtful if the wardens or the guards have any power of that kind. The purpose of the first amendment is to put both classes of inmates under the same rule.

The other amendment of the Act is necessitated by reason of the adoption last year of the law with regard to criminal appeals, which fixes the time within which an appeal may be made by a person convicted of a criminal offence. There is no provision in the Act as it stands as to where the accused may be kept in custody during the time allowed him for appeal, nor is there any place indicated in which he may be held in custody during the time the appeal is being heard. The purpose of this amendment is to provide that during the time allowed to the convict for appeal, and during the time taken for the hearing and determination of the appeal, he shall be kept in the common jail; he shall not be sent to penitentiary. The idea is that during the time he is seeking to upset the conviction he should not be incarcerated in the penitentiary with criminals who have been finally convicted.

Hon. Mr. McMEANS: I understood there was some slight difficulty about the application of the section. I would like to ascertain if counsel for the Senate has passed on it.

Hon. Mr. BELCOURT: The Law Clerk of the Senate has, I assume, himself prepared the explanatory notes, which my honourable friend

will find on the right-hand page of the Bill as printed. I observe that his notes are confined to the explanation which I have just given to the House. I am not advised whether or not he has made any other representations, but I think that, as the notes are prepared by the Law Clerk, it may fairly be taken for granted that the Bill meets with his approval.

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

HALIBUT FISHERY BILL

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill 21, an Act to amend the Northern Pacific Halibut Fishery Protection Act.

He said: Honourable gentlemen, the purpose of Section 1 of the Bill is merely to correct an omission—or an error, to call it by its proper name—in the Act passed last Session, Chapter 61 of the Statutes of 1923. The object is to insert after the word "waters," in the seventh line, the words "during the close season." These words were omitted from the Act of 1923. As the Treaty and the Act itself are intended to prohibit fishing during the close season only, it is necessary now to add the words "during the close season." That is the purpose of the proposed new Section 6.

The purpose of Section 2 of the Bill is to repeal Section 9 of the Act. If honourable gentlemen will read Section 9 they will see that the subject matter is covered by Section 5. Furthermore, Section 9 of the Act raises some doubt which it is necessary to remove; it is therefore proposed to repeal the section and limit the provision respecting seizure to Section 5, which contains practically all that is contained in Section 9, and states it in clearer language.

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

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

THE SENATE

Thursday, April 10, 1924.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: I desire to inform the members of the Senate that the day before yesterday I had a discussion with the leader of the group that faces me (Hon. Sir James Lougheed) as to the probability of any legislation coming to us from the other House in the near future, and more particularly as to whether any of the Branch Line Bills would reach us before the middle of next week or early after Easter. I am now in a position to state that there is no likelihood of any important legislation coming to us before the end of this month. Next Wednesday the House of Commons will adjourn to the 22nd of April, the Tuesday after Easter. Under these circumstances, and as there is nothing on the Order Paper for to-morrow, I give notice that I will move:

That when this House adjourns to-day, it do stand adjourned until Tuesday, the 29th of April, at 8 o'clock in the evening.

PRIVATE BILL

FIRST READING

Bill K, an Act respecting a Patent of Thomas William Pritchard.—Hon. Mr. Casgrain.

DIVORCE BILLS

FIRST READINGS

Bill L, an Act for the Relief of Florence Luella Patterson Kelly.—Hon. G. V. White.

Bill M, an Act for the Relief of Arthur Harold Mingay.—Hon. Mr. Blain.

Bill N, an Act for the Relief of Isabella Guild.—Hon. Mr. Blain.

Bill O, an Act for the Relief of Albert Lawrence.—Hon. Mr. Bennett

SECOND AND THIRD READINGS

Bill A, an Act for the relief of Theresa Agnes Sprague.—Hon. Mr. Turriff.

Bill B, an Act for the relief of Terry Andrea Maxwell Bruce.—Hon. Mr. Blain.

CUSTOMS AND EXCISE DEPARTMENT

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What was the number of persons in the City of Ottawa holding positions of emolument in the Department of Customs and Excise at December 31, 1921?
2. What is the number of such persons at the present time?
3. What is the number of persons who died and were otherwise removed from such positions since December 31, 1921?
4. (a) What is the number of persons appointed to positions in the said Department in the City of Ottawa since December 31, 1921?

(b) What is the number of such appointed persons who were reported on by the Civil Service Commission and recommended by it as qualified for priority of appointment?

(c) What is the number of such appointed persons who were not so reported on and recommended by the Civil Service Commission?

Hon. Mr. DANDURAND:

1. 470.
2. 488.
3. 54, including 6 deceased.
4. (a) 72, (b) 69, (c) 3, such positions being exempt from the provisions of the Civil Service Act.

FREIGHT EARNINGS EAST AND WEST

QUESTION OF PRIVILEGE

On the Orders of the Day:

Hon. Mr. CASGRAIN: I rise to a question or privilege. This is the first time I have done so in twenty-four years, so I hope no one will say I have abused the privilege. On Tuesday night I gave in this House some railway figures, and the honourable gentleman from Winnipeg (Hon. Mr. McMeans) questioned the veracity or exactitude of those figures. I may say that I told the honourable gentleman that I would bring the matter up, and he now holds in his hands documents which I think prove exactly what I said. He is perfectly free to object to or not approve of those documents. I was not in possession of them when I made my statement, and I spoke without notes, but to the best of my memory.

I wish to say that I have never in this House made a statement of figures that I had not taken the utmost care to verify as far as God has given me light to see the right. The words the honourable gentleman used were:

> The honourable gentleman on the other side (Hon. Mr. Casgrain) is always very free with his statistics with regard to railways. While I would not accuse him of giving false information, I sometimes think the figures he quotes are not exactly what they appear to be.

I want on this occasion to exercise my privilege, because, I believe, it is the right and duty of every Senator to maintain the reputation of this House for telling what we believe to be the truth as well as we know it. May I add, with Shakespeare:

> Who steals my purse steals trash;
> But he that filches from me my good name
> Robs me of that which not enriches him,
> And makes me poor indeed.

Hon. Mr. McMEANS: I accept the honourable gentleman's apology—

Hon. Mr. CASGRAIN: It is not an apology.

Hon. Mr. McMEANS: I did not accuse the honourable gentleman of making any false statement. The question arose in a discussion, and a statement was made about the railways in the West with which I did not entirely agree, and I told the honourable gentleman that he was apt to quote a lot of figures that sometimes conveyed an impression that was not quite correct. I stated publicly from my seat in this House that the roads of the Canadian National Railway in the western provinces were paying lines. The honourable gentleman contradicted me, and asked where I got that information; so I thought, when he rose in his seat to-day, that he was going to apologize for even assuming that I was not correct. I did not have the figures, but he drew a distinction between the tonnage of the roads in the eastern part—the provinces of Ontario and Quebec—and that of Manitoba and the western provinces. Of course that was the impression that his remarks would leave on the House—that the tonnage—

Hon. Mr. CASGRAIN: Not tonnage; I always spoke of the dollars and cents.

Hon. Mr. McMEANS: Yes; he said receipts were $11,000 per mile east of Lake Superior, whereas west of Lake Superior they were $8,000 a mile. That would leave the impression on the minds of hearers that those railways were earning more money in the East than they are in the West.

Hon. Mr. CASGRAIN: So they are; read the papers I gave you.

Hon. Mr. McMEANS: But it does not say that the $11,000 are profits.

Hon. Mr. CASGRAIN: No; gross receipts.

Hon. Mr. McMEANS: But I venture to say that the earnings of the roads in the western provinces are greater than they are in the East. The trouble is that you quote a statement of that kind, and you say what is the total that arises in Ontario and Quebec; but of course you have the short haul there. You have a larger tonnage, but you do not consider the fact that there is that huge bridge spanning the north shore of Lake Superior, and connecting these provinces. You stop at one point and then go to the other. You take the thickly-populated provinces, Ontario and Quebec, and say there is a bigger tonnage there. That is quite natural, for you have 75 per cent of the entire population of Canada in the East. Now, what is the freight that arises between the east and the west? The total stated in the documents that the honourable gentleman gave me a few minutes ago is 30,176,543 tons furnished by Ontario and Quebec, while the three prairie provinces together furnished only a total of 19,967,127 tons, or in round numbers 20,000,000—a third less, while 75 per cent of the population of all Canada belongs to the East.

Now, honourable gentlemen, in making this statement, if I am wrong I hope the honourable gentleman will correct me, as I do not

desire to say anything that he can take objection to; but the impression that he left, or intended to leave on this honourable body, was to the effect, as he most characteristically stated, that the West has been spoon-fed, and that our railways were of such a character that all the profits to the country were in the East and not in the West. It was only in a deferential way that I rose in my seat in this House to protest against those remarks that are continually made in the East against the West. However, I will accept the honourable gentleman's apology.

Hon. Mr. CASGRAIN: I assure you there was no attempt to make an apology. I think the apology should be on the other side.

Hon. Mr. TURRIFF: Might I ask the honourable gentleman from Montreal a question?

Hon. Mr. CASGRAIN: Sure.

Hon. Mr. TURRIFF: Do I understand from the remarks he made the other day, and those he made now, that the railways make more money on their eastern lines than on their western lines?

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. TURRIFF: If I am in order now—

Hon. Mr. CASGRAIN: You are not in order; we are all out of order.

Hon. Mr. TURRIFF: I just want to give that statement an absolute denial, and assert that the C.P.R. and the Canadian National Railways make double the money net profit in the West that they do in the East; and I will take the first opportunity when the House meets again of putting the figures on Hansard, because I have them right here.

Hon. Mr. CASGRAIN: Good.

PENITENTIARIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 12, an Act to amend the Penitentiaries Act.

Hon. Mr. Blain 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.

HALIBUT FISHERY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 21, an Act to amend the Northern Pacific Halibut Fishery Protection Act.

Hon. Mr. Daniel 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.

The Senate adjourned until Tuesday, April 29, at 8 p.m.

THE SENATE

Tuesday, April 29, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill P, an Act for the Relief of Douglas Lewin.—Hon. W. B. Ross.

Bill Q, an Act for the relief of Mary Quinn. —Hon. Mr. McCall.

Bill R, an Act for the relief of Marie Darling Irving.—Hon. Mr. McCall.

Bill S, an Act for the relief of Margaret DeMello.—Hon. Mr. McCall.

Bill T, an Act for the relief of Mary Caroline Dooley.—Hon. Mr. Hardy.

Bill U, an Act for the relief of Barbara Gibb Duncan.—Hon. Mr. Green.

Bill V, an Act for the relief of Nellie Sinkins.—Hon. Mr. Green.

Bill W, an Act for the relief of Catherine Jean Livingstone.—Hon. Mr. Blain.

Bill X, an Act for the relief of Alice Maud Knowles.—Hon. Mr. Blain.

PRIVATE BILL

FIRST READING

Bill 10, an Act to confirm an agreement between the Ottawa Electric Railway Company and the City of Ottawa.—Hon. Mr. Belcourt.

PROVINCIAL GUARANTEES OF RAILWAYS

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What is the total amount of capital guaranteed by the Provincial Government of British Columbia for railway purposes generally, at present falling under the legislative authority of the Dominion?
2. What is the total amount of interest also guaranteed by the said Provincial Government?
3. What amount, if any, of this guaranteed capital has been repaid by the said Government?
4. What amount, if any, of this guaranteed interest has been paid to date?
5. What measures, if any, have been taken by the Dominion Government to collect this guaranteed capital or interest or both?
6. If no measures have been taken is it the intention of the Dominion Government to institute the necessary legal proceedings to adjust these matters or collect these amounts?
7. What is the total mileage thus guaranteed, either in capital or interest or both?
8. Is it the intention of the Dominion Government to tax all the provinces for these amounts?
9. If not, how is the Dominion Government to meet these payments?
10. All these same questions for Alberta?
11. All these same questions for Saskatchewan?
12. All these same questions for Manitoba?
13. All these same questions for Ontario?
14. All these same questions for Quebec?
15. All these same questions for New Brunswick?
16. All these same questions for Nova Scotia?
17. All these same questions for Prince Edward Island?
18. Where in the public accounts can a record of these various amounts be found?

Hon. Mr. DANDURAND:

1. $40,157,523.86.
2. $1,702,088.58.
3. None.
4. None.
5. None.
6. Provincial guarantees connected with Canadian Northern construction would have become operative had the company failed to meet interest charges or redeem issues on maturity. There was no lapse under private ownership of Canadian Northern and since assumption of the property by the Dominion interest payments have been met upon all issues, by the Dominion as owner.
7. 758.
8. The National Railways are as much the property of the people of one province as another, hence the meeting of any deficiency in interest charges by the country as a whole.
9. Eventually it is expected the interest charges in question will be earned by the railways, just as operating charges and considerable of the fixed charges were earned during 1923.
10, 11, 12 and 13.

	Guarantees	Annual Interest	Mileage
Alberta	$22,539,957 97	$ 947,718 31	1,436.25
Saskatchewan	28,567,723 97	1,160,415 32	1,746.62
Manitoba	25,662,545 51	1,026,501 77	1,875.55
Ontario	7,859,997 59	275,099 90	318.

The position of the Grand Trunk Pacific provincially guaranteed securities is not altogether similar to that of the Canadian Northern. The main line guarantees were Federal, but in addition the provinces of Saskatchewan and Alberta guaranteed securities issued for the construction of branch lines, to which the Dominion Government was not party. When the road went into receivership these branch line guarantees became operative against the provinces, and for several years there was uncertainty as to these interest charges. Finally, upon the Canadian National management recommending the taking over of the branch lines by the Dominion Government, the Federal Government undertook the payment of these branch line interest charges, and reimbursed the provinces their outlays in that respect.

14. Quebec—No provincial guarantees.
15. New Brunswick.—No provincial guarantees.
16. Nova Scotia.—No provincial guarantees.
17. Prince Edward Island.—No provincial guarantees.
18. A record of securities outstanding and guarantees both as to principal and interest is to be found on pages 47, 48, 49 and 51 of the annual report of the Department of Railways and Canals for the fiscal year ending March 31, 1923.

The interest upon Canadian Northern securities provincially guaranteed and others, was paid out of loans, a record of which is to be found in schedule "K," page 10, public accounts for the fiscal year ended March 31, 1923; Grand Trunk Pacific branch line interest, under same schedule, page 11.

GREAT LAKES FREIGHT RATES COMMISSION

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What is the amount per diem—(a) For services; (b) For allowances; of each member of the Great Lakes Freight Rates Commission of 1922-23?
2. For how many days and between what dates have payments been made to each member of the Commission?
3. What are the respective amounts paid to each member of the Commission—(a) For services; (b) For allowances?
4. Are these the final payments to members of the Commission? If any accounts are still to be paid to them what is the accrued or accruing amount payable to each member of the Commission?
5. What is the total amount paid to other persons for secretarial and any other services in connection with the work of the Commission?
6. What is the total cost to the country of the Commission?

Hon. Mr. DANDURAND:

1. (a) S. J. McLean, Chairman. Nil.
Levi Thompson.. .. .. $25 per day
Gen. L. T. Tremblay.. . $25 per day

(b) S. J. McLean, Chairman. $25 per day
Levi Thompson.. .. .. $15 per day
Gen. L. T. Tremblay.. . $15 per day

2. Remuneration Allowances—

S. J. McLean, Chairman, 83 days between February 9 and May 16.

Levi Thompson, 106 days, 110 days between January 28 and May 17.

Gen. L. T. Tremblay, 102 days, 107 days between January 29 and May 15.

3. (a) S. J. McLean, Chairman.. .. Nil.
Levi Thompson.. .. .. $2,650
Gen. L. T. Tremblay.. 2,550

$5,200

(b) S. J. McLean, Chairman. .. $2,075
Levi Thompson.. 1,620
Gen. L. T. Tremblay.. 1,650

$5,345

4. Yes.

5. $30.467.80.

6. $41,012.80.

LONGLAC TO NAKINA BRANCH RAILWAY

INQUIRY

Hon. Mr. McMEANS inquired of the Government:

1. The date when the contract was let for the building of the branch line of the Canadian National Railways from Longlac to Nakina, known as the cut-off?

2. When was this branch line completed? The amount expended on the building of same?

3. Out of what fund was the cost of the building of the line defrayed?

Hon. Mr. DANDURAND:

1. December 30th, 1922.

2. Line opened by Order of Board December 24th, 1923. Work on line not fully completed. Expenditure on cut-off to January 31st, 1924, was $1,518,372.62.

3. Vote 139, Appropriations Act No. 3, 1923.

SERVICES OF COLONEL A. E. DUBUC

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Was A. E. Dubuc, who is a member of the Ralston Royal Commission on Soldiers' Civil Re-establishment and Pensions and who was paid as such Commissioner $12,600 for services and $2,046.12 for allowances—252 days—between August, 1922, and July, 1923, the same A. E. Dubuc who was during the period mentioned in the service of the Government as Superintending Engineer of Quebec canals, and who was paid as such engineer a salary of $4,500 for the fiscal year ending March 31, 1923, as per volume III of Auditor General's Report, page W-97?

2. Has the said A. E. Dubuc been in the service of the Government since March 31, 1923, as Superintending Engineer or in any other capacity or capacities (other than as member of said Royal Commission)—and if so, in what capacity or capacities—between what dates—and for what length of time? And what salary has he received from the Government for such services since March 31, 1923?

Hon. Mr. DANDURAND:

1. Yes.

2. (a) Continued as Superintending Engineer from April 1, 1923 to February 4, 1924, when he was promoted to his present position of Chief Engineer, Department of Railways and Canals. During that period he has been in the service of the Government (other than as member of said Royal Commission) in no other capacity.

(b) From April 1, 1923, to April 25, 1924, $5,316.08. On the 20th July, 1922, permission was given to Colonel Dubuc to act on the Royal Commission on Pensions and Soldiers' Civil Re-establishment. This was set out in a memorandum by the Deputy Minister to the Chief Engineer, copy of which is attached. The memorandum in part provided that Colonel Dubuc would not be paid by the Railway Department while acting on the Commission during his regular office hours. Through a misunderstanding Colonel Dubuc was not notified to this effect, and only by accident did he become aware of this fact some few weeks ago. He immediately brought the matter to the attention of the Deputy Minister, and an arrangement was made for an adjustment of the accounts along the line of the original instructions to the Chief Engineer.

The instructions to the Chief Engineer are contained in a memorandum dated July 20th, 1922, as follows:

An order in council was passed by the Department of Soldiers' Civil Re-establishment appointing, on approval of the Minister of this Department, Colonel Dubuc as one of the Commission to investigate charges made by the G.W.V.A. against the administration of the Pencion Act. The work will be of such a nature that it is not anticipated that Colonel Dubuc will be away from his duties as Superintending Engineer for any length of time, and that he will be able to take care of the two positions without detriment to this Department. The understanding is that Colonel Dubuc will not be paid by this Department while acting on the Commission.

DIVORCE BILLS

SECOND READINGS

Bill C, an Act for the relief of Rilla May Freeman.—Hon. Mr. McCoig.

Bill D, an Act for the relief of Jessie Maria Watchorn.—Hon. W. B. Ross.

Bill E, an Act for the relief of Walter Scott Miller.—Hon. G. V. White.

Bill F, and Act for the relief of Harriet Bertha Wiser.—Hon. W. B. Ross.

Bill G, an Act for the relief of Esther Mary Edwardes St. George.—Hon. W. B. Ross.

Bill H, an Act for the relief of Mabel Peters.—Hon. W. B. Ross.

Bill I, an Act for the relief of William Thomas Trott.—Hon. W. B. Ross.

Bill J, an Act for the relief of Lucy Elizabeth Smith.—Hon. W. B. Ross.

INDUSTRIAL DISPUTES BILL

SECOND READING POSTPONED

On the Order:

Second Reading Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I was asked for the production of some judgments that might bear one way or the other on the constitutionality of this measure, and I now lay on the Table the judgment of the Privy Council in the case of the Attorney General vs. The Reciprocal Insurers having no licenses under the Dominion Insurance Act and others; also the judgment of Mr. Justice Orde granting an interim injunction in the case of the Toronto Electric Commissioners vs. Snider. There was a hearing before Mr. Justice Mowat, and the case went to the First Divisional Court by way of reference. The majority report declaring the Act constitutional was signed by Chief Justice Mulock and Justices Magee, Ferguson and Smith, while a minority report was made by Mr. Justice Hodgins. If anyone believes that this list of judgments or the opinions of the majority and the minority should be printed, we might decide to do that later on. I lay them on the Table meanwhile, and would ask that the Order be discharged and be placed on the Order Paper for to-morrow.

Hon. Mr. CASGRAIN: I know some Senators who would like to look into this matter thoroughly, and I would suggest that a longer time be allowed for study of these documents.

Hon. Mr. DANDURAND: As these judgments are quite long, I presume that members of the Senate may need 24 hours to peruse them, and I will therefore move that the order be placed on the Order Paper for Thursday next.

The motion to postpone the order was agreed to.

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

THE SENATE

Wednesday, April 30, 1924.

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

Prayers and routine proceedings.

CRIMINAL CODE BILL (BAIL)

FIRST READING

Bill Y, an Act to amend the Criminal Code (Bail on Charges and Committals for Indictable Offences).—Hon. R. S. White.

OPIUM AND NARCOTIC DRUG BILL

FIRST READING

Bill Z, an Act to amend the Opium and Narcotic Drug Act, 1923, as regards bail on certain charges—Hon. R. S. White.

TICKET OF LEAVE BILL

FIRST READING

Bill A2, an Act to amend the Ticket of Leave Act—Hon. R. S. White.

DIVORCE BILLS

FIRST READINGS

Bill B2, an Act for the relief of Jessie Ruth Haverson—Hon. Mr. Blain.

Bill C2, an Act for the relief of Arthur Foord—Hon. Mr. Daniel.

Bill D2, an Act for the relief of Harold Gordon Hendry—Hon. Mr. Black.

Bill E2, an Act for the relief of Karl Peter Hansen—Hon. Mr. Black.

Bill F2, an Act for the Relief of Ethel Hadden—Hon. W B. Ross.

Bill G2, an Act for the relief of William James McLaughlan—Hon. W. B. Ross.

Bill H2, an Act for the relief of Alyce Wilson—Hon. W. B. Ross.

Bill I2, an Act for the relief of Lemuel Burkett—Hon. Mr. Pardee.

ST. LAWRENCE RIVER INTERNATIONAL COMMISSION

INQUIRY AND DISCUSSION

Hon. Mr. GRIESBACH rose in accordance with the following notice:

That he will inquire of the Government:

1. Whether it is the intention of the Government to appoint a Commission to collaborate with a similar Commission from the United States, on the question of the canalization and the development of power on the St. Lawrence River.

2. If so, is it the intention of the Government to give representation to the Canadian General Staff on such commission?

And to draw the attention of the Government to the military questions involved therein.

He said: Honourable gentlemen, it is stated in the public press that it is the intention of the Government to appoint a Commission to act with a similar Commission appointed by the United States to investigate the question of the deepening of the St. Lawrence river and the development of power thereon.

I would call the attention of the House to the fact that the St. Lawrence river throughout the history of Canada has been an important artery of traffic, and at all times has been a strategic frontier and military obstacle; and anything that may be done with a view to the development of power on that river or the deepening of the river will have a profound effect upon it as a strategic barrier. I am advocating that the Government ought to appoint on the Commission a representative of the General Staff of Canada. I suggest a representative of the General Staff, and not some casual officer, because the General Staff is competent and, what is of greater importance, is responsible for advising the Government in matters of this sort. If no other reason could be advanced, I would call attention to a dispatch dated Washington, April 1st, published in the Montreal Gazette:

Secretary of War Weeks to-day announced his selection of engineer officers of the army to serve on the joint engineering board which will study the St. Lawrence waterways project. The American membership of the board will be headed by Colonel George B. Pillsbury, who will be assisted by Colonel Edgar Jadwin and Colonel William Kelley as advisers. Colonel Pillsbury will devote his entire time to the St. Lawrence project, but Colonels Jadwin and Kelley will continue in their present duties, though giving some time to the work in co-operation with Colonel Pillsbury.

The American Government have seen fit to give representation to their General Staff, recognizing that this project involves strategic as well as commercial problems. Therefore, as I have stated, I am strongly of the opinion that in the selection of this Commission by the Government of Canada representation should be given to our General Staff.

Hon. Mr. DANDURAND: I shall be happy to draw the attention of the Department of Defence to the remarks of my honourable friend. The answer which I have reads as follows:

1. The Government intends to appoint a National Committee to advise the Government on various aspects of this important national question. The American Government has already appointed a National Committee of representative citizens.

2. The suggestion for representation of the Canadian General Staff will be considered by the Government in connection with the personnel of the proposed National Committee. Steps have been taken to provide for representation by an official of the Department of National Defence on the interdepartmental Committee which is at present acting in an advisory capacity to the Government.

INDUSTRIAL DISPUTES BILL

INQUIRY

Hon. W. B. ROSS inquired:

1. If the Government or any Department of the Government has received an opinion from the Department of Justice or from legal counsel as to the constitutionality of the provisions of Bill No. 7, the Industrial Disputes Bill, or any of its sections?

2. If yes, was the opinion received before or after the decision of the Judicial Committee of the Privy Council in the case of the Attorney General of Ontario versus Reciprocal Insurers?

3. If no opinion has been received will the Government at once ask the Department of Justice for such opinion?

4. Or will the Government before proceeding further with this Bill refer the question of the constitutionality of sections 2 and 3 to the Supreme Court of Canada?

Hon. Mr. DANDURAND: To the first and second questions, I am instructed by the Department of Justice to answer in the negative.

To the third and fourth questions, the answer is also in the negative, as the Court of Appeal of Ontario has just pronounced upon the constitutionality of the said Act.

CAPE BRETON LABOUR DISPUTE

INQUIRY

On the Notice:

By the Honourable Mr. David:

That he will call the attention of the Senate and of the Government upon the report published on the 31st of March last, and reproduced in the Senate Hansard of April the 1st, of a speech made by a man of the name of McLachlan at a meeting of miners in Cape Breton, and will inquire whether that McLachlan is the same man that has been released lately on parole by the Government, and, if so, does the Government intend to allow that dangerous man to continue to express such pernicious sentiments and do they not think it proper to send him back to jail in the interest of society and of the working class itself?

Hon. Mr. DANDURAND: Apparently this is the same man, but the Government has no definite information as to the truth of the statements reported in the press.

YUKON DOMINION OFFICIALS

MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER inquired of the Government:

The number of Dominion officials and employees in the Yukon Territory of all kinds, their positions, duties, salaries, allowances and expenses; also the present

population of the territory, the total revenues derived therefrom and the sources thereof.

Hon. Mr. DANDURAND: I would ask the right honourable gentleman to transform his inquiry into a motion for a return.

Right Hon. Sir GEORGE E. FOSTER: With the hope that the return may not be too long delayed.

Hon. Mr. DANDURAND: It is in my hands. I think the right honourable gentleman will find the answer quite complete. It covers all the Departments, as far as I know, that are interested in the Yukon.

While we were discussing the amendment to the Judges Act, my honourable friend who leads the Conservative party in this Chamber (Hon. Sir James Lougheed) asked me if I could not obtain from the Department of the Interior information as to an inquiry that he had set in motion—he was too modest to say so himself—as to whether the Deputy Ministers of the various Departments interested in the administration of the Yukon could not come together and reduce their expenditures. A conference did take place, as suggested by my honourable friend, and minutes of this conference, or of conferences, are in my hands, and I shall lay them on the Table, as well as the supplementary report which I have received from the Deputy Minister; so there will be a complete report from the Department of the Interior.

The motion for a return was agreed to.

IMPORTATIONS OF ALCOHOLIC BEVERAGES

MOTION FOR RETURN

Hon. Mr. BOURQUE (for Hon. Mr. Beaubien) moved:

That an Order of the Senate do issue for a report showing the quantity and value of alcoholic beverages imported per month in each province of the Dominion, during the period extending from January 1, 1923, to March 1, 1924, distinguishing between,—

(a) Liquors,
(b) Wines,
(c) Drugs,

and indicating the alcolholic percentages of each category and the countries from which they come, respectively.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill C, an Act for the relief of Rilla May Freeman.—Hon. Mr. McCoig.

Bill D, an Act for the relief of Jessie Maria Watchorn.—Hon. W. B. Ross.

Bill E, an Act for the relief of Walter Scott Miller.—Hon. G. V. White.

Bill F, an Act for the relief of Harriet Bertha Wiser.—Hon. W. B. Ross.

Bill G, an Act for the relief of Esther Mary Edwardes St. George.—Hon. W. B. Ross.

Bill H, an Act for the relief of Mabel Peters.—Hon. W. B. Ross.

Bill I, an Act for the relief of William Thomas Trott.—Hon. W. B. Ross.

Bill J, an Act for the relief of Lucy Elizabeth Smith.—Hon. W. B. Ross.

PRIVATE BILL

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill K, an Act respecting a patent of Thomas Williams Pritchard.

Right Hon. Sir GEORGE E. FOSTER: Will the honourable gentleman give us the reasons for which that application is made?

Hon. Mr. BELCOURT: If I may, I will read the sworn affidavit of the applicant:

I, Thomas Williams Pritchard, formerly of the City of Wilmington, in the State of North Carolina, now of New York City, New York, U.S.A., Chemist, make oath and say:

1. That I have personal knowledge of the matters herein deposed to.

2. That I am the inventor of an invention known in the art as "Processes of Distillation" granted to me this deponent under Letters Patent of Canada Number 165,468.

3. That I am the sole owner of such Letters Patent.

4. That I have put a varied and detailed amount of research work extending over some years on the said processes of distillation to work and perfect them for commercial uses and application and have incurred and caused to have been incurred many thousands of dollars.

5. That, further, by reason of the unnatural conditions created by and following from the effects of the great war, it has been impossible for me to interest capital and obtain the financial means necessary to exploit the said invention by commercial operations up until the present year.

6. That I now have reasonable assurances of financial assistance which will enable me to get the said invention working within a period of, say, one year from the date of the passing of the Act petitioned for.

7. That on or about the 20th day of January, 1924, I had caused inquiries to be made as to the standing of the said Letters Patent in Canada and was advised and verily believe if I had made application for an extension of time to manufacture in Canada previous to the 10th day of January 1924, some ten (10) days earlier, and paid the fees for the second term on the said Letters Patent on showing cause why an extension of the time to manufacture should have been given me, this petition should not have been necessary to validate my Letters Patent referred to.

Hon. Sir JAMES LOUGHEED: What is the invention?

Hon. Mr. BELCOURT: He describes it as "processes of distillation" and refers to research "to work and perfect them for commercial uses and application."

Hon. Mr. MURPHY: Distillation of what?

Hon. Mr. BELCOURT: I do not know anything more than what is in the affidavit.

Hon. Sir JAMES LOUGHEED: Anything dealing with distillation, of course, appeals to the public taste these days.

Hon. Mr. BELCOURT: To some people anyway. (Reading):

8. That unless the period in which to construct or manufacture or to carry on the said processes of distillation in Canada under the said Letter Patent is extended until one year from the passing of the Act petitioned for, I will be greatly prejudiced and have suffered a pecuniary loss running into many thousands of dollars.

(Signed) Thomas Williams Pritchard.

Sworn to before me at the City of New York in the State of New York, U.S.A., this 4th day of April, 1924.

(Signed) F. N. Bunger, a Notary Public.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend has not advanced any particular reason why an exemption should be made in favour of this applicant, who has not paid a dollar of his fees, has not fulfilled the fundamental conditions necessary to retaining his patent, and in his petition gives no reason for not having obeyed the law in the first particular, except a reason that could be given for any person whose patent had lapsed. I think we ought to be very careful as to how we break into the general patent law, the conditions it imposes and the rights it gives in individual cases. If this passes on the simple information that we have now. I cannot see how we should be justified in throwing out any application made by a person who had neglected to pay his fees or fulfill the conditions. It is a rather serious matter to pass this without some stronger reasons being given than those brought so far seem to be. Has my honourable friend himself looked into the case at all, or has he before him simply what we have?

Hon. Mr. BELCOURT: A gentleman who is interested called on me. I forget exactly what he said to me, but I at once suggested to him that the usual thing to do would be to put into writing, in the form of an affidavit, the reasons he had in support of his application to Parliament. He filed the affidavit with the Clerk of the House and sent me a copy. All the while I was relying on what has been for many years past the invariable practice of this House, to refer such Bills for investigation to the Standing Committee on Private Bills. The House has felt all along, as I understand, that this is a question of fact which should be investigated in the Committee, and the second reading is generally granted on the certainty that the Bill will be properly examined in the department and there will be the further opportunity to hear what the department itself has to say in the matter. I take it that the passing of the second reading of the Bill means no more than that there is delegated to the Committee the responsibility of looking thoroughly into the question of granting the application.

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

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

DIVORCE BILLS

SECOND READINGS

Bill L, an Act for the relief of Florence Luella Patterson Kelly.—Hon. G. V. White.

Bill M, an Act for the relief of Arthur Harold Mingay.—Hon. W. B. Ross.

Bill N, an Act for the relief of Isabella Guild.—Hon. Mr. Sharpe.

Bill O, an Act for the relief of Albert Lawrence.—Hon. Mr. Bennett.

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

THE SENATE

Thursday, May 1, 1924.

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

Prayers and routine proceedings.

PORT LATOUR BREAKWATER

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Was any sum appropriated for expenditure on a breakwater at Port LaTour in Shelburne County, Nova Scotia, in the fiscal year 1922-1923, or the fiscal year 1923-1924; how much in each year?

2. Was any expenditure made in either or both of said years; how much in each year?

3. Was any part of the vote of 1923-1924 unexpended at the end of the fiscal year, and if so, how much?

4. Is any sum available for the current fiscal year 1924-1925 in respect to such work, and if so, how much?

5. Is work now going on at said breakwater; if so, when was the work started, and how much is it intended to expend on the present operations?

Hon. Mr. DANDURAND:

1. Appropriation, 1922-23, nil; appropriation, 1923-24, $6,800.00.

2. $6,916.64 was expended in 1923-24.

3. No.

4. No.

5. No work now going on.

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an Order of the Senate do issue for a return to include copies of Pay-Sheets, Vouchers and Correspondence, relating to expenditures on a Breakwater at Port La Tour, Shelburne County, Nova Scotia, during the calendar year 1923.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill L, an Act for the relief of Florence Luella Patterson Kelly.—Hon. G. V. White.

Bill M, an Act for the relief of Arthur Harold Mingay.—Hon. W. B. Ross.

Bill N, an Act for the relief of Isabella Guild.—Hon. Mr. Sharpe.

Bill O, an Act for the relief of Albert Lawrence.—Hon. Mr. Bennett.

SECOND READINGS

Bill P, an Act for the relief of Douglas Lewin.—Hon. W. B. Ross.

Bill Q, an Act for the relief of Mary Quinn. —Hon. Mr. McCall.

Bill R, an Act for the relief of Marie Darling Irving.—Hon. Mr. McCall.

Bill S, an Act for the relief of Margaret DeMello.—Hon. Mr. McCall.

Bill T, an Act for the relief of Mary Caroline Dooley.—Hon. Mr. Hardy.

Bill U, an Act for the relief of Barbara Gibb Duncan.—Hon. Mr. Green.

Bill V, an Act for the relief of Nellie Sinkins.—Hon. Mr. Green.

Bill W, an Act for the relief of Catherine Jean Livingstone.—Hon. Mr. Blain.

Bill X, an Act for the relief of Alice Maude Knowles.—Hon. Mr. Blain.

REDUCTION OF SENATE MEMBERSHIP

DEBATE CONTINUED

The Senate resumed from April 3 the debate on the motion of Hon. Mr. Turriff:

1. That in the opinion of the Senate it is advisable in the interest of economy and good Government to reduce the number of Senators by one third, viz., from ninety-six to sixty-four Members.

2. That this reduction should be effected by not filling any vacancy that may occur in the number of Senators representing a province until that number has been reduced by one third, except in the senatorial division consisting of Nova Scotia, New Brunswick and Prince Edward Island, as to which division special provision as to the distribution of the reduction will be required.

3. That in each appointment of a Senator made under the decreased representation it shall be provided that the Senators shall automatically retire on attaining the age of.....years.

Hon. F. L. SCHAFFNER: Honourable gentlemen, it is not my purpose to take more than a very few moments of your time this afternoon. Indeed, I had no intention of making any remarks on the motion introduced by the honourable member from Assiniboia (Hon. Mr. Turiff), and would not have done so but for the fact that, following the usual practice during my twenty years in Parliament, he referred to the country to the south of us.

My honourable friend was advocating the reduction of the number of Senators in Canada when I asked him this question:

May I ask the honourable gentleman if he has considered the fact that, in addition to the Federal Senate, every state of the Union has a second chamber?

The honourable gentleman from Assiniboia replied:

Yes, I am aware of that. However, the State Senates and the Federal Senate, taken altogether, are not one-third as numerous as the members of our various legislatures, and their expense of governing is nothing like ours.

After considerable research I hold in my hand figures showing the number of State Senates and state Legislatures, and the number of members of each, and I find that what I felt to be true when I asked the question is borne out by the statistics.

In the Federal Senate of the United States there are 96 Senators. But in considering this matter we must remember that the members of the United States Senate and the members of the House of Representatives receive just double the pay received by Senators and members of the House of Commons in this country, namely, $8,000 per year.

Hon. Mr. LYNCH-STAUNTON: There are 110,000,000 people to pay it.

Hon. Mr. SCHAFFNER: I am simply giving the facts. That means that the expense of the Senators to the United States is just double the expense to this country in that regard. But this is the point. If we consider only the members of the Federal Houses in the United States, the honourable gentleman's argument would be fairly strong; but we must not forget the State bodies. I am not arguing either for or against reducing the number of our Senators; I am simply explaining and substantiating the basis of my question to the honourable gentleman.

No doubt many of you have read what the honourable gentleman from New Brunswick (Hon. Mr. Turgeon) said on the constitutional aspect of the question. In my opinion, he made a good argument against reducing the number of Senators. I have

often felt that, in view of the very few changes it has been necessary to make in the British North America Act, the gentlemen who drew that legislation must have had great vision. It seems to have served this country very well up to the present time.

The object of my honourable friend from Assiniboia is no doubt a legitimate one; but after all, what would his proposal to reduce the membership of this House by one-third accomplish? If Parliament saw fit to act on the resolution, the only expense that would be saved to the country would be the indemnities of the number of Senators by which this body would be reduced; the other expenses, I judge, would remain exactly as they are now.

Now, let us take Great Britain. To my surprise—it may not surprise many honourable gentlemen who are more familiar with the question than I am—I found that there were more members of the House of Lords than of the Commons.

Hon. Mr. CASGRAIN: The members of the House of Lords are not paid.

Hon. Mr. SCHAFFNER: Pay would not affect my honourable friend any more than it would them. The House of Lords has 740 members and the House of Commons 615. Previous to 1922, when the Irish Parliament was formed, Ireland had 105 members in the British House, whereas it now has 13, and the total membership of the British House of Commons was 707.

Now, coming to the United States, we know there are 48 states.

Hon. Mr. ROBERTSON: 48 states and one Federal District.

Hon. Mr. SCHAFFNER: That is right. Regardless of its size or population, each State has two Chambers. And I may say in passing that it occurred to me a day or two ago, when the leader of the Government was answering the question of my honourable friend from Lanaudière (Hon. Mr. Casgrain), that if we had two Chambers in each province we might not perhaps have had all these millions of provincial guarantees to railways; because in Quebec and Nova Scotia, where there are Legislative Councils, there are no such guarantees. So, after all, there may be something to be said in favour of a second chamber.

As I have said, there are 48 states. There are 1,770 members of State Senates, and 5,661 members of State Legislatures. There are also 96 Federal Senators, and 435 members of the House of Representatives. That makes a total of 7,962, or practically 8,000 members.

One other point which I wish to make is that, no matter what our population may become, the number of our Senators will not be increased without a change of the constitution, where as in the House of Commons every 10 years, after redistribution, there is an increase of the membership because of the increased population of the western provinces. At present there are 235 members in the House of Commons, but after redistribution there will be 245. Therefore, as our population increases our House of Commons will become a very large body, but as I understand the membership of the Senate will remain the same.

The following statement shows the number of members in the Senate and the Legislature of each state of the Republic, also the number in the Senate and House of Representatives of the United States:

States	Senate	Assembly
Maine	31	151
New Hampshire	24	421
Vermont	30	246
Massachusetts	40	240
Rhode Island	39	100
Connecticut	35	258
New York	51	150
New Jersey	21	60
Pennsylvania	50	208
Ohio	37	125
Indiana	50	100
Illinois	51	153
Michigan	32	100
Wisconsin	33	100
Minnesota	67	131
Iowa	50	108
Missouri	34	142
North Dakota	49	113
South Dakota	*35	*105
Nebraska	33	100
Kansas	40	125
Delaware	17	35
Maryland	27	102
Virginia	*37	*95
West Virginia	30	94
North Carolina	50	120
South Carolina	44	124
Georgia	51	193
Florida	32	75
Kentucky	38	100
Tennessee	33	99
Alabama	35	106
Mississippi	45	138
Arkansas	35	100
Louisiana	39	101
Oklahoma	44	*100
Texas	31	150

States	Senate	Assembly
Montana	54	107
Idaho	44	54
Wyoming	25	54
Colorado	35	65
New Mexico	24	49
Arizona	19	35
Utah	20	55
Nevada	17	37
Washington	42	97
Oregon	30	60
California	40	80
	1,770	5,661
Federal Senate	96	
Federal House		435
	1,866	6,096
		1,866
Total		7,962

*Approximate.

The numbers of members in the several legislatures of the Dominion of Canada are as follows:

Federal Senate	96
House of Commons	235
Total	331
Local legislatures:	
Ontario	111
Quebec	85
Nova Scotia	43
New Brunswick	48
Manitoba	55
British Columbia	47
Prince Edward Island	30
Saskatchewan	63
Alberta	58
Total	540

That is all I wish to say, except to point out that in each of the United States, no matter how small, there are two Chambers, and that, although that country has a much larger population than Canada, the membership of its legislative bodies is smaller. New York State, for instance, with probably the largest population of any state, nearly as much as that of Canada, has 51 Senators and 150 members of the Assembly, whereas there are 540 members in the different local legislatures of Canada. On the other hand, we have only two Legislative Councils—one in Quebec, with a membership of 24, and one in Nova Scotia, with a membership of 21.

Hon. Mr. STANFIELD: Nova Scotia is well off.

Hon. Mr. SCHAFFNER: Yes, there are some great men in Nova Scotia.

Hon. Mr. TANNER: All good men.

Hon. Mr. SCHAFFNER: I thought it might be interesting to have these figures for the purposes of comparison. I have taken up as little of your time as possible in presenting these facts.

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

INDUSTRIAL DISPUTES BILL

MOTION FOR SECOND READING POSTPONED

On the Order:

Second reading of Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. W. B. ROSS: Before the honourable leader proceeds with this Bill I would like to suggest to him that it should stand over till some day next week. A number of judgments have been laid on the Table. One of them, a judgment of the Privy Council on some Ontario questions, I have been able to read. One of the big questions to decide in regard to this Bill is whether sections 2 and 3 are intra vires of the Parliament of Canada or not. The Privy Council have decided, in terms that they probably mean to be final, that the Federal Parliament cannot get jurisdiction over property and civil rights, or any matter assigned to the Provincial Legislatures, by passing an Act declaring as a crime what is a violation of a civil right, giving rise to damages in a civil action. That question, I think, will have to be threshed out here pretty fully. I do not think it is wise for us to pass legislation that is clearly beyond our powers. Quite a number of members of the House are, I know, interested in this matter, pro and con, and I would like to have time for myself to go over the decisions of the Ontario Court. I am inclined to think they do not at all touch the question that is mentioned here. And I am no quite satisfied that I have got a very full answer to the question that I put the other day, whether or not any opinion has been given by the Department of Justice with regard to sections 2 and 3.

Hon. Mr. DANDURAND: The Department of Justice have answered in the negative.

Hon. Mr. ROSS: That they have given no opinion? Then no information has been given as to the intention of the Government

to ascertain whether or not there is in this Parliament authority to enact sections 2 and 3 of this new Bill. I do not think the honourable gentleman gave me any great satisfaction on that.

Hon. Mr. DANDURAND: What day does my honourable friend desire to set for the discussion of this Bill?

Hon. Mr. ROSS: Next Wednesday. I think everybody will be here on that day.

Hon. Mr. DANDURAND: I have no objection to postponing the second reading until Wednesday, with the understanding that we shall proceed with it then. If we have to accede to the request of a number of honourable members to adjourn it, we may reach the end of the Session without having examined this Bill, which was before us for a considerable time last Session.

I may inform honourable members who would be interested in examining into the constitutionality of the Act, that I have brought for their information about 50 copies of the judgment delivered by the Court of Appeals of Ontario on the 22nd of April last. It comprises the judgment of the four judges who maintained the constitutionality of the Act, and the dissenting opinion of Mr. Justice Hodgins.

My honourable friend (Hon. W. B. Ross) has asked if the Government or the Department of Justice should not consider submitting the Act to the Supreme Court. I may inform him that the Department of Justice has already taken a stand on this Act by defending it before the Court of Appeals of Ontario, and has succeeded in that Court in having the Act declared intra vires. That being so, it is possible that an appeal may be taken from the Court of Appeal of Ontario to the Supreme Court of Canada or the Privy Council. However, I would ask my honourable friend to turn over in his mind this proposition, that the question of authority or jurisdiction is not even a doubtful one. I submit that it is not for us to doubt our own jurisdiction. This Act has been on the Statute Book since 1907 and has, I think, worked to the advantage of the country. It is now being attacked before the courts. Its constitutionality will be tested. The Court of Appeal declares that it is constitutional. I suggest that we leave it to the tribunals of final jurisdiction to express an opinion, and that we should not await their decision before modifying the Act. The proposed Bill would amend it in no very important particular, maintaining only the same principles as are already embodied in the statute. I draw my honourable friend's attention to this situation.

However, I have no objection to moving that this Order be discharged and be placed on the Orders of the Day for Wednesday next. Any honourable member who desires to study the question will find, I think, both sides of the case presented in the judgment which has lately been rendered by the Court of Appeal.

The motion to postpone the order was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill J2, an Act for the relief of William Ewart Gladstone Pettinger.—Hon. Mr. Bennett.

Bill K2, an Act for the relief of Anna McGeachey.—Hon. Mr. Blain.

Bill L2, an Act for the relief of Antonio Petranglo.—Hon. Mr. Blain.

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

THE SENATE

Friday, May 2, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill M2, an Act for the relief of Ella Vear.—Hon. Mr. Sharpe.

Bill N2, an Act for the relief of Anna Welton.—Hon. Mr. Daniel.

Bill O2, an Act for the relief of Marjory Mahaffy Cox.—Hon. Mr. Todd.

Bill P2, an Act for the relief of Mary Elizabeth Milne.—Hon. W. B. Ross.

Bill Q2, an Act for the relief of Georgina Myrtle Potts.—Hon. W. B. Ross.

Bill R2, an Act for the relief of Guy Barrington Hutchings.—Hon. W. B. Ross.

THIRD READINGS

Bill P, an Act for the relief of Douglas Lewin.—Hon. W. B. Ross.

Bill Q, an Act for the relief of Mary Quinn.—Hon. Mr. McCall.

Bill R, an Act for the relief of Marie Darling Irving.—Hon. Mr. McCall.

Bill S, an Act for the relief of Margaret DeMello.—Hon. Mr. McCall.

Bill T, an Act for the relief of Mary Caroline Dooley.—Hon. Mr. Hardy.

Bill U, an Act for the relief of Barbara Gibb Duncan.—Hon. Mr. Green.

Bill V, an Act for the relief of Nellie Sinkins.—Hon. Mr. Green.

Bill W, an Act for the relief of Catherine Jean Livingstone.—Hon. Mr. Blain.

Bill X, an Act for the relief of Alice Maude Knowles.—Hon. Mr. Blain.

SECOND READINGS

Bill B2, an Act for the relief of Jessie Ruth Haverson.—Hon. Mr. Blain.

Bill C2, an Act for the relief of Arthur Foord.—Hon. Mr. Daniel.

Bill D2, an Act for the relief of Harold Gordon Hendry.—Hon. Mr. Black.

Bill E2, an Act for the relief of Karl Peter Hansen.—Hon. Mr. Black.

Bill F2, an Act for the relief of Ethel Hadden.—Hon. W. B. Ross.

Bill G2, an Act for the relief of William James McLaughlan.—Hon. W. B. Ross.

Bill H2, an Act for the relief of Alyce Wilson.—Hon. W. B. Ross.

Bill I2, an Act for the relief of Lemuel Burkett.—Hon. Mr. Pardee.

PRINTING OF PARLIAMENT

CORRECTION OF ERROR

On the Order:

Consideration of the first Report of the Joint Committee of both Houses on the Printing of Parliament.—Hon. Smeaton White.

Hon. R. S. WHITE: Honourable gentlemen, the Clerk has made a slight error in the report submitted, which I wish to have amended. Items number 35, 36a, and 37 and 37a appearing in the list have already been printed. They should have been on the list as being authorized by the Committee. The first, No. 35, was printed during the recess at the special request of the Prime Minister in order to have it ready for the opening of Parliament. 37a, in the same way, has been printed by special request, and should have been on the list. A certain number of copies of No. 36a and No. 37 have been purchased from London, but they will appear in the bound volume of the proceedings. I move that the report be amended by having these included.

The motion was agreed to, and the report, as amended, was adopted.

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, May 6, 1924.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Clifford William Robinson, of Moncton, New Brunswick, introduced by Hon. Mr. Dandurand and Hon. Mr. Turgeon.

PRIVATE BILLS

FIRST READINGS

Bill S2, an Act to incorporate the Dominion Electric Protection Company.—Hon. G. G. Foster.

Bill X2, an Act respecting the General Animals Insurance Company of Canada.—Hon. Mr. Green.

DIVORCE BILLS

FIRST READINGS

Bill T2, an Act for the relief of Amy Selain Slater Therrien.—Hon. Mr. Pope.

Bill U2, an Act for the relief of Harold Adrian Proctor.—Hon. W. B. Ross.

Bill V2, an Act for the relief of Harry Charles Arthur.—Hon. Mr. Green.

Bill W2, an Act for the relief of Tony Bazar.—Hon. Mr. Green.

LAKE FREIGHTERS GEORGE ORR AND KEARSARGE

INQUIRY

Hon. Mr. BENNETT inquired of the Government:

If the lake freighters George Orr and The Kearsarge are still owned by the Canadian National Railways of Canada or any other Department of the Canadian Government—

(a) Is it intended that the said vessels shall be disposed of, and, if so, when?

(b) If the Canadian National Railways have not decided to sell the said two vessels, is it intended that they shall be employed during the coming season of navigation, and if so what line of employment are they intended for?

(c) Are said vessels of Canadian or American register?

Hon. Mr. DANDURAND:

1. Steamers Arthur Orr and Kearsarge are still owned by Canadian National Railways. Steamer George N. Orr was commandeered by the United States Government in 1917.

2. The question of the disposal of the vessels is not being considered at the present time.

3. Employed on regular route between Depot Harbour, Chicago and Milwaukee.

4. American register.

EMPLOYMENT OF J. C. WATTERS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is J. C. Watters in the employ of the Government?
2. In what capacity and at what salary is he employed?
3. When did he enter the Service?
4. Is his employment to be temporary or permanent? If temporary, for what period?
5. What work is he doing, and where?

Hon. Mr. DANDURAND:

1. Yes.
2. (a) Investigator; (b) $250 per month.
3. April 11, 1924.
4. (a) Temporary; (b) Thirty days and possibly longer.
5. Making a survey of industrial conditions in the coal mine districts of Nova Scotia.

DISMISSAL OF POSTMASTER AT O'LEARY, P.E.I.

INQUIRY

Hon. Mr. MURPHY inquired of the Government:

1. If D. D. Campbell, Postmaster, O'Leary, Prince County, Prince Edward Island, was dismissed.
2. Was an investigation held?
3. If dismissed, what was the cause of dismissal?
4. On whose recommendation was the matter referred to the investigation commissioner, and what were the charges against this Postmaster?

Hon. Mr. DANDURAND:

1. Yes.
2. Yes.
3. Political partisanship.
4. On a petition received from residents in the district, the department ordered an investigation in accordance with the usual procedure. The petition charged the postmaster with political partisanship.

OCCUPATION OF THE RUHR

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. Whether the French Government is receiving substantial amounts in species or kind or both from the occupation of the Ruhr?
2. If so, is the Imperial Government participating in the receipts of the amounts?
3. If so, what percentage is collected by the Imperial Government?
4. Is Canada entitled to a share in these amounts?
5. If so, for what percentage?
6. If so, is the Government of Canada taking the proper steps to collect its share?

Hon. Mr. DANDURAND: I have been unable to obtain from our departments of Finance or External Affairs any other information than that the share which will accrue to Canada from the total amount of reparation receipts which Great Britain will receive under the terms of the Treaty of Versailles should be 4.35 per cent. I have secured information from another source which may be of interest, and will answer some of the questions comprised in this inquiry.

I will read an excerpt from a statement made by the Prime Minister of France, Mr. Raymond Poincaré, on the 2nd of April last, to Parliament. It reads as follows:

When France and Belgium decided to enter the Ruhr, in order to take a further lien or security, the German Government had just declared, in its letter of the 14th November, 1922, addressed to the Reparations Commission, that, for the next three or four years, the Reich would be unable to pay anything either in kind or money. Germany felt that it had reached the day when it could definitely escape meeting its obligations. If all the Allies had joined in, it is probable that Germany would have accepted the inevitable. Her resistance, at all events, would not have been as prolonged.

Such as it was, the realizing upon our securities became a technical problem far more difficult and which was bound to be of longer duration. The passive resistance, the obstruction, the sabotage gradually forced us to make our control more complete; the setting up of a Customs barrier at the oriental frontier, Railway control, industrial control of export trade from the occupied territories, licenses to do foreign trade and derogations for trade with unoccupied Germany.

The estimates of production which we had made in December, 1922, before entering the Ruhr, are to-day very largely exceeded.

The most striking example is given by the customs returns, which had been estimated to give 200 million gold marks annually. The receipts for February indicate a yearly return of 300 million gold marks.

The average daily receipts show the following increases:

In October last, per day..	803,000 francs
November, last, per day..	1,190,000 francs
December last, per day..	2,053,000 francs
January last, per day..	2,957,000 francs
February last, per day..	4,600,000 francs

Valued in gold marks the customs returns for January and February are sensibly superior to the total customs collections for the whole year of 1923.

The general results are as follows:

Financial statement up to the 31st of December, 1923, for the year of passive resistance—Grand total of receipts, including:

(a) Receipts of the French and Belgian services centralized by the Security Accounting Committee of the High International Commission at Coblentz.

(b) Receipts collected directly by the French and Belgian Treasuries.

Proceeds from the sale of coal, coke, proceeds from the seizures etc., 1,643,700,000 francs.

Expenditure, including the normal expenses of the French and Belgian armies on the left bank of the Rhine, as they stood before the occupation of the Ruhr, 986,500,000 francs.

Leaving a surplus of 657,200,000 francs.

So that on the 31st of December, 1923, and despite the passive resistance, the receipts had been sufficient to cover the expenses, including the normal cost of occupation of the left bank of the Rhine, and to leave a surplus exceeding 600 millions.

The results at present are as follows:

1. Customs, licenses and Derogations totalled 138 million francs for the month af February, or at a rate of 1 billion 600 millions a year.

2. The Kohlensteuer (coal tax) yielded from January 20th to February 20th, that is, in one month, 93 million francs, including the collection of arrears. The total for the year is estimated at 500 millions.

3. Forests, normal cut in 1924, will account for 110 millions during the year.

4. Railways: On the 1st of March, 1923, the traffic was completely stopped: trains covered 29,000 kilometres only per day for 7,000 travellers and 1,000 tons of merchandise. To-day trains are running 270,000 kilometres a day, carrying 330,000 passengers and 310,000 tons of freight. In 1922, the normal traffic was 320,000 kilometres, with 400,000 passengers and 375,000 tons of freight.

Briefly, the working of the securities organized up to date should yield annually well over 4 billion francs.

The cost of civil services, except that of the railway administration, the estimates I have just announced, showing only net returns, are less than 25 millions a year.

The cost of transportation of the stocks and of working the mines and the coke pits amounted in 1923 to 80 millions.

The total amount of military expenditure for the armies in the Ruhr, in 1923, was about 280 millions. It will be less in 1924 on account of the forces being reduced, which has been partly done already.

The normal cost of occupation by the French army of the left bank of the Rhine amounts to 493 millions.

So that, including the military expenses of Belgium and the normal cost of occupation, which is not an additional expense and is quite apart from the working of the securities, the total expenditure does not reach a billion, against receipts amounting to 4 billion francs. Consequently, a sum of 3 billions will go to the Reparations account.

This sum of 3 billions must be divided between the Allies, and Belgium is entitled to a preference; nevertheless it represents, for all the Allies, the result of the occupation of the Ruhr.

I have received this morning from General Degoutte the following telegram:

"In March 2,104,000 tons of fuel reparations have been shipped, while the estimation of the M.I.C.U.M. (Mission Inter-alliée de Contrôle des Usines et des Mines) was but 2,059,000 tons and that of the Reparations Commission, prepared on the 2nd of December, 1922, before the occupation of the Ruhr, was but 1,600,000 tons which amount the German claimed to be unable to deliver."

We have thus reached and even exceeded the normal output of the Ruhr and Rhineland, and we have demonstrated the bad faith of Germany, before the occupation, in so far as payments in kind and cash are concerned.

I have in my hand a statement of the production of the railways in the Ruhr compared with that of the railways in France. I think it will be interesting to this Chamber because, with the Allies holding valuable securities, it may give rise to the hope that the Germans will accept the General Dawes report:

On March 1st, 1924, the traffic under the Franco-Belgian management was about 4/5 ths of what it was previously under the administration of the Reich.

The "Régie"—that is the administration of the railway—could have already restored the traffic up to its importance in 1922, had Germany kept the agreement signed at Mayence on December 1st, 1923, and handed over to the "Régie" the 1,100 locomotives sent out of the occupied territories. But the German Government sent back only 18 of them! As for railroad cars, the "Régie" has only 16,929, while the number required for normal traffic is 44,400.

At the present time, the receipts of the "Régie" amount to 6 million francs, daily average, representing a net profit of 1 million francs a day.

On no French railroad are the conditions as favorable as they are on the railroads operated in occupied territories by the Franco-Belgian "Régie." The following tables bring out that remarkable comparison, they are by weeks:

Weeks	Daily tons of merchandise	Weekly receipts, in francs
1923—		
November 19th to 25th.. ..	88,569	10,701,546
November 26th to December 2..	106,290	12,963,955
December 3rd to the 9th ..	122,846	14,258,808
December 10th to the 16th..	137,468	16,293,554
December 17th to the 23rd..	158,455	20,777,128
December 24th to the 30th.	114,336	17,048,065
1924—		
December 31st to January 6th..	157,104	20,400,380
January 7th to the 13th ..	186,765	22,482,383
January 14th to the 20th..	195,342	24,016,249
January 21st to the 27th..	205,869	24,650,144
January 28th to February 3	232,913	31,082,677
February 4th to the 10th..	263,006	36,955,165
February 11th to the 17th..	255,616	40,141,824
February 18th to the 24th..	270,887	40,193,941

Gross receipts of all French railroads during the week of February 5th to the 11th, 1924:

Paris-Lyon-Mediterrannée..	37,090,000 francs
Nord..	21,440,000 "
Est..	20,743,000 "
Etat..	19,186,000 "
Orleans..	16,649,000 "
Alsace and Lorraine..	13,203,000 "
Midi..	9,435,000 "

With these figures on Hansard honourable gentlemen will be able to see what a valuable piece of property the Ruhr is, and what an interest the Germans must have in freeing themselves of control and accepting General Dawes' report.

Hon. Mr. CASGRAIN: If I may be allowed to speak, that is not an answer to my question at all. My question is very simple. It says in part:

If so, is the Government of Canada taking the proper steps to collect its share?

There has not been a word in answer to that. I know I am not in order in speaking; but what has been said is not in answer to my question.

Hon. Mr. DANDURAND: I said my honourable friend would find in this statement practically an answer to his question.

Hon. Mr. CASGRAIN: Practically. What is the Government doing?

Hon. Mr. DANDURAND: Great Britain, I think, has received nothing so far. My honourable friend cannot expect Canada to get its share now.

Hon. Sir JAMES LOUGHEED: It will come later.

Hon. Mr. DANDURAND: I have stated what would be the share accruing to Canada when Great Britain, for the Empire, received its share from the occupation of the Ruhr district.

Right Hon. Sir. GEORGE E. FOSTER: I did not wish to interrupt my honourable friend while he was reading that important paper, but really this is one of the most extraordinary exhibitions I have ever seen in either House since I have been a member of Parliament. A simple question is asked by my honourable friend with reference to Canadian interests in the Ruhr. The leader of the Government takes the opportunity to make a long speech and to place before the House a mass of figures, entirely undigested, in the shape of propaganda for a certain proposition about which there are contending opinions, with an extraordinary alacrity to give information which pushes him away over the verge of any question my honourable friend could possibly have had in mind when he put his question. My honourable friend has taken up the time of the House, and has made a speech the parallel to which, I venture to say, you may search for in vain in the records of any legislative assembly.

Hon. Mr. DANDURAND: I may say to my honourable friend that my alacrity was not considered great when I was reproached by the questioner with not bringing down the answer. I requested the various departments to give me an answer to the question. The answer was that there was no data. I found official data, which I thought would be interesting, because we have had no data either in this Chamber or the other as to the returns from the occupation of the Ruhr. 4.35 per cent of what accrues to the British Empire will be ours. These figures are most interesting, and I believe when my honourable friend reads them he will find them very readable indeed.

I intended doing more. I intended giving to my honourable friend (Right Hon. Sir George E. Foster)—who has the advantage over many of his colleagues of reading French—the whole speech of Mr. Poincaré, when he gave the official returns to the French Assembly. He declares that there will be three billions of clear profit belonging to the Allies. That is a statement which I thought came under the question, and I was convinced that the information I have given to the House, being new, and covering, as it does, our share, would be welcomed by the Senate.

Right Hon. Sir GEORGE E. FOSTER: I will be very much obliged to my honourable friend if he will put in my hands the speech in full. I was not objecting to the information, but to the manner of its introduction. I should think there might come a time in this honourable House when we could discuss the question and when the information would be appropriate. I shall be glad to be put in possession of that information.

Hon. Mr. DANDURAND: I will give it to my honourable friend this evening.

SOLDIER SETTLEMENT

MOTION FOR RETURN

Hon. Mr. GILLIS moved:

That an order of the Senate do issue for a Return showing:—

1. The number of settlers under the Soldier Settlement Scheme that have abandoned their farms.
2. The cost to the Government for land and equipment in each of such cases.
3. What disposition, if any, was made of the land and equipment; if sold, what percentage of the original cost was realized.

He said: Honourable gentlemen, before this motion is voted on I desire to say a word or two. I imagine that when the return is brought down it will show that more of our soldier settlers are leaving the farms than we have any idea of. This is a somewhat serious situation. In the first place, we are losing what we believe to be valuable settlers in Canada; in the second place, the government is losing heavily in the case of every settler who leaves the farm.

Several cases have come under my own observation in which a soldier settler left his farm, and left all his equipment and everything else furnished him by the Government. This equipment, as a rule, is sold by public auction by the Government official in charge of the particular district. Last year at several auction sales, horses realized no more than 10 per cent of their original cost; and the same is true, although probably not to the same extent, of other equipment. This is a serious matter, and steps should be taken by the Government so to arrange conditions as to enable those soldier settlers to remain on their farms.

When the Soldier Settlement scheme was first brought into existence I think everyone agreed that it was a splendid scheme. This is quite evident from the number who took advantage of it. But we must remember that when these soldier settlers took up their land and entered into their contracts with the Government, conditions were some-

what different from what they are to-day. The land and lumber and everything they required was very high in price, and in consequence the obligations which they assumed were heavy. At that time everything was very rosy. The price of wheat was anywhere from $1.50 to $2.50 a bushel, and other commodities were equally valuable. Had those conditions continued, I do not think we now would find many of these men leaving the farm.

However, as we know, conditions have changed. Instead of getting $1.50 or $2 or $2.50 for their wheat these men get 60, 70 or 80 cents a bushel, and the prices of other things are in proportion. The consequence is that it has been almost impossible for these men to meet their obligations year after year. I will cite one instance. I received a letter not very long ago from one of these settlers in the neighbourhood where I reside. I may say that before I left home this gentleman came to see me and told me his tale of woe, and I asked him to write me a letter stating exactly his position. He is a returned man, a Canadian, with a good war record. During the three years he has been farming he has brought under cultivation about 75 acres of raw prairie land. He cropped a certain portion of that land year after year, and during the three years of operation he was able to sell about $1,000 worth of his product. It would require that amount to keep him in clothing, and to keep body and soul together. Of course, this case is somewhat exceptional; he was somewhat unfortunate. His crop was partially hailed out one year, and during another season he was not able to get his crop thrashed in time. In consequence he sustained a serious loss. But, allowing for that loss, we find that after the three years operation that man is indebted to the Government to the extent of about $500. In addition to that he owes $129 for taxes. Without allowing for his misfortune he is in debt to-day about $875. While I admit that this is an extreme case, there are others equally bad.

I do not wish to be understood as saying that the returned men are not making a success of farming. They are putting forth every effort possible, doing all they can, and are sincere in their efforts to succeed; but under the conditions I have outlined it is almost impossible for them to continue.

This matter was brought up in this House last year, and I think it is of sufficient importance to warrant the Government in taking some action to make things a little easier for these soldier settlers. We are spending a great deal of money upon immigration and on various wild-cat schemes. If we wish to retain these men, why not devote some of the money of the country to lightening their burden, and in this way trying to keep them on the land? I suggest that, in order to enable those people to stay on the farms, the Government should make a cut of 50 per cent all round. That may seem a large cut, and I do not insist on that, but something must be done.

All over the Western country we find that the people who have sold land under contract have to readjust their figures, otherwise the property would be thrown back on their hands. A few years ago I sold some land at $55, which was a trading price, but my purchaser was not able to meet his obligations, and I cut the price 50 per cent, and was prepared to reduce still more if necessary. Both land companies and private individuals in the West are making readjustments of prices, because that is the only way to restore normal conditions.

We owe those returned soldiers a greater debt of gratitude than we can ever pay, and the least we can do for them is to be a little more generous, and reduce their obligations, and in every other way enable them to continue on the land. I would urge the leader of the Government in this House to bring this matter to the attention of his colleagues, because the present conditions of the soldiers' settlements are serious, and by making the reduction I suggest we could not only help those men to stay on the land, but we could show our gratitude in a substantial way at a time when a reduction is very much needed and would be thoroughly appreciated. We know that every satisfied settler is an asset to the country, while everyone who abandons his farm is a great loss to the Government and to the country. I therefore trust that action will be taken in this matter at once, so as to relieve the distress among those men.

Hon. Mr. DANDURAND: Before the motion is put I would suggest to my honourable friend that he modify it. He must judge for himself whether he would not reach the same end by so doing. I hold in my hand a letter from the Chairman of the Board bearing on this motion, and he writes in regard to the questions asked by my honourable friend. In regard to the second question—the cost to the Government for land and equipment in each of such cases—that is, the number of settlers under the Soldier Settlement scheme who have abandoned their farms, he says:

This statement would involve a large amount of work in the tabulation of the figures from each of more than 4,000 files. It would be possible without delay to in-

form the Senate as to the percentage of original disbursement realized in 1352 salvage cases which have been completely sold out. Salvage cases are not financially analyzed until they are completed, and the preparation of the information called for under the second question would require considerable time.

If my honourable friend felt that he would have sufficient data by the production of the statement in reference to 1352 salvage cases, perhaps he would be willing to amend his motion accordingly.

Hon. Mr. GILLIS: Yes, the salvage cases would do where the appraisement is completed.

Hon. Mr. DANDURAND: Then I suppose the motion may be adopted as amended by the suggestion of the Chairman of the Board.

Hon. Mr. POPE: Might I ask what is meant by salvage cases? Are they sold out absolutely—everything in connection with them?

Hon. Mr. DANDURAND: Yes, I would think it is the realization of the lien and the security. It may cover the land; it would cover the animals, and it may cover all the chattels.

Hon. Mr. GILLIS: I hardly think it would cover the land, because the land is still handled by some other soldier settlers. It would just cover the equipment.

Hon. Mr. DANDURAND: I think the question covers the disposal of the land that was abandoned by the soldier.

Hon. Mr. POPE: I desire to know if this word abandoned means that a man left the property, or was forced to leave the property because he could not make payments according to his contract with the Government. In speaking of an abandoned estate, I would naturally suppose it to be an estate from which the owner had run away.

Hon. Mr. DANDURAND: All I have to guide me is the question itself.

Hon. Mr. POPE: The remarks of the honourable gentleman from Saskatchewan (Hon. Mr. Gillis) refer to the West, but they would apply with equal force to the East. Those properties were acquired at tremendous cost, as well as the animals that were placed upon them, but I do not think the live stock would possibly realize a third of what the animals cost, and I am sure the farms would not realize 50 per cent. I drew the attention of the House and the Government to this matter last year, with the hope that some movement would be made, and some substantial encouragement would be offered to those men who had fought for us overseas, but I have been disappointed in anything I have heard up to this time.

My information may not be correct; I trust it is not; but in my humble opinion there was but one way to deal with this matter, and that was by a thorough revision of the cost to these people of the properties they had acquired under their original contracts with the Government. That revision and re-valuation, should take place, and not an extension of time, because a property that is placed at 100 per cent above its value is of no practical use either to the soldier who returned or the man who never went overseas. No man could meet such an obligation out of his earnings, especially under farming conditions as they are to-day. It is scarcely necessary for me to tell this House what the farmers of this country, from the East to the West are saying as to the difficulties they are having in every section. Even men who own their properties and know how to farm them have difficulty in making both ends meet.

I suggest that the Government should go much further than granting an extension of time. They should go a long way in the direction of remitting values to those soldier settlers, giving them such encouragement as will warrant them in remaining on the farms. An extension of time is not of much use unless the valuation be placed upon a proper basis. After making a proper valuation, the Government might also give them an extension of time such as the conditions of the country demand. Thus we may possibly be able to serve some of those men in this country who served us in another place.

Hon. Mr. McMEANS: I would like the mover of this motion to include in it a return of the number of seizures of chattels, if any, that were made by the Government.

Hon. Sir JAMES LOUGHEED: Why not move a motion, and get a separate return?

Hon. Mr. GILLIS: I have no objection to that being added.

Hon. Mr. DANDURAND: If my honourable friend will suspend his motion and redraft it in conjunction with my honourable friend, it may be adjourned till to-morrow.

Hon. Mr. GILLIS: Let it stand till to-morrow.

The motion stands.

PRIVATE BILLS

FIRST READINGS

Bill 15, an Act respecting the Canada Southern Railway.—Hon. Mr. Robertson.

Bill 16, an Act respecting the Detroit River Tunnel Company.—Hon. Mr. Robertson.

DIVORCE BILLS

THIRD READINGS

Bill B2, an Act for the relief of Jessie Ruth Haverson.—Hon. Mr. Blain.

Bill C2, an Act for the relief of Arthur Foord.—Hon. Mr. Daniel.

Bill D2, an Act for the relief of Harold Gordon Hendry.—Hon. Mr. Black.

Bill E2, an Act for the relief of Karl Peter Hansen.—Hon. Mr. Black.

Bill F2, an Act for the relief of Ethel Hadden.—Hon. Mr. Ross (Middleton).

Bill G2, an Act for the relief of William James McLaughlan.—Hon. Mr. Ross (Middleton.)

Bill H2, an Act for the relief of Alyce Wilson.—Hon. Mr. Ross (Middleton.)

Bill I2, an Act for the relief of Lemuel Burkett.—Hon. Mr. Pardee.

PRIVATE BILL

SECOND READING

Bill 10, an Act to confirm an agreement between the Ottawa Electric Railway Company and the City of Ottawa.—Hon. Mr. Belcourt.

JUDGES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 25, an Act to amend the Judges Act.

Hon. W. B. ROSS: I thought the honourable gentleman was going to give us some information about the Yukon.

Hon. Mr. DANDURAND: The request of my right honourable friend (Right Hon. Sir George E. Foster) for information referred to practically the whole of the Yukon, and I brought down a return. I have here the cost of administration of justice in the Yukon in 1921-22, in detail, showing a total of $33,978.61. The Estimates for 1924-25 show a slight reduction, from $33,978 to $31,500; that is, in the Department of Justice. All that remains in the Estimates for 1924-25 is:

Judge, salary	$7,000
Judge, living allowance	5,000
Judge, travel	200
Sheriff, clerk and stenographer—	
Sheriff, salaries	5,000
Sheriff, living allowances	5,300
Police magistrate, salary	4,000
Miscellaneous	5,000
Total	$31,500

Hon. Mr. ROSS: Just what makes the reduction? Is it a reduction of $2,000 in that living allowance for the judge? The increased salary would simply swallow that up.

Hon. Mr. DANDURAND: There is no increase in remuneration in the present Bill. There is an apparent increase. There is an increase of $2,000 in salary, but a reduction of $2,000 in living allowance. The amount the judge was receiving was $12,000, but he was receiving $7,000 as salary and $5,000 as living allowance. That allowance of $5,000 is the amount that has accompanied the salary for the last fifteen or twenty years, to my knowledge.

Hon. Sir JAMES LOUGHEED: That is the way the estimate appears at present, is it not? You have not yet put through the Bill touching the increase of salary.

Hon. Mr. DANDURAND: No. You see, as it stands for the coming year. 1924-25, it is: salary, $7,000; living allowance, $5,000; that is, $12,000. But, as I have stated, it is understood, and has been stated officially by the Minister of Justice, that if this Bill passes and the salary is brought up to the normal salary of high court judges, $9,000, the living allowance will be reduced to $3,000; so the total will be the same. The only difference will be in the amount of retirement allowance.

Hon. Mr. ROSS: Of pension.

Hon. Mr. DANDURAND: Of the pension received when he retires. The maximum sum to which he would be entitled by virtue of the terms of the Bill itself would be $6,000.

Hon. Mr. ROSS: What does this Bill do? I thought this Bill was for raising the salary from $7,000 to $9,000.

Hon. Mr. DANDURAND: Yes; but automatically the living allowance will be reduced by a similar amount.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I am not particularly interested at the present time simply in the Bill which is before the House, except that it makes an increase in expenditure, which is one of the items coming under review when you take a survey of the Yukon as regards expenses and receipts.

Hon. Mr. DANDURAND: Not actually.

Right Hon. Sir GEORGE E. FOSTER: Yes, and in the future, because for whatever length of time after superannuation or retirement the judge lives there will be the added amount payable by the Dominion.

Hon. Mr. DANDURAND: One thousand dollars.

Right Hon. Sir GEORGE E. FOSTER: But the startling thing about it, to me, when the question was brought up here, after looking at the return presented by my honourable friend, was the tremendous cost of the administration of the territory, compared with what we get from it, and compared with the population which is there. In looking over the information given in the return laid upon the Table by my honourable friend I find that a good deal more is necessary before it is possible to make a review of the whole administration of the Yukon, and I intend to ask for that additional information and wait until it is brought down before taking up the subject from a general point of view. We have to deal there with a very difficult situation; there is no doubt about that. It is a far distant part of our territory. The population is very small, compared with the extent of the territory, and the expenditure in its administration is very large. I think that the expenditure can be greatly reduced and that when all the receipts and expenditures are brought before the House it will be quite impossible for the Government and the Senate not to give the subject their most serious attention. We are spending there for a population of less than 4,000 people—and part of that a temporary population, coming in and going out—and for an amount of productive development which is small in the aggregate and confined almost entirely to one class of persons, the men of wealth who work the mines and take to themselves the profit; and at the present time these workers of the mines are almost entirely non-Canadian citizens. Their supplies to a considerable extent are brought from outside; their products go to the outside; the amount of labour they spend upon their mining development is, in comparison with the output, the smallest of probably any business that could be engaged in. When you take all these things into consideration in connection with the services we are giving, at a cost running well up to three-quarters of a million dollars or more, it becomes a matter of moment, I think, for the Government and for both legislatures to see if some method cannot be found by which these expenses could be curtailed and the necessary administration of that territory continued.

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

DIVORCE BILLS

SECOND READINGS

Bill J2, an Act for the relief of William Ewart Gladstone Pettinger.—Hon. Mr. Bennett.

Hon. Mr. DANDURAND.

Bill K2, an Act for the relief of Anna McGeachey.—Hon. Mr. Blain.

Bill L2, an Act for the relief of Antoine Pietranglo.—Hon. Mr. Blain.

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

THE SENATE

Wednesday, May 7, 1924.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill Y2, an Act respecting L'Alliance Nationale.—Hon. Mr. Beaubien.

DIVORCE BILLS

FIRST READINGS

Bill Z2 an Act for the relief of Gordon Johnston Hutton.— Hon. Mr. Smith.

Bill A3, an Act for the relief of Douglas Carlyle Bell.—Hon. W. B. Ross.

Bill B3, an Act for the relief of Elma Cathryne Caulfield.—Hon. W. B. Ross.

Bill C3, an Act for the relief of Alice Bertha Boyce Baker.—Hon. Mr. Blain.

Bill D3, an Act for the relief of John Lee Williamson.—Hon. Mr. Hardy.

GOVERNMENT FREIGHTERS ON THE GREAT LAKES

INQUIRY

Hon. Mr. BENNETT inquired of the Government:

(a) The names of the different freight vessels owned by the Government of Canada or Canadian National Railways, upon the Great Lakes, and the capacity of each?

(b) How many of the said vessels were employed last year on the Great Lakes?

(c) What were the earnings of each of the said vessels respectively; also what were the net earnings of each of the said vessels?

(d) How many of the said vessels (if any) is it intended shall be placed in commission for the season of navigation of 1924?

Hon. Mr. DANDURAND:

As to the Ss. Arthur Orr and Kearsarge:

(a) Ss. Arthur Orr, 145,000 bushels of wheat; SS. Kearsarge, 160,000 bushels of wheat.

(b) Both.

(c) Arthur Orr, $100,151.79 gross, $21,281.00 deficit. Kearsarge, $111,788.43 gross, $15,346.66 deficit.

(d) Both.

As to the Canadian Government Merchant Marine, Limited:

(a) The Canadian Government Merchant Marine steamers engaged on the Great Lakes and their dead weight tonnage capacities are as follows:

Steamer	Dead Weight Tonnage
Canadian Adventurer	3,408
Canadian Pathfinder	3,640
Canadian Sailor	3,357
Canadian Signaller	3,975
Canadian Sower	3,406
Canadian Trader	3,341
Canadian Warrior	3,995
Canadian Engineer	3,679

(b) All above named steamers were employed on the Great Lakes last year.

(c) The gross and net earnings of each of the steamers engaged in the Great Lakes trade last season were as follows:

	Gross earnings	Net earnings (Before providing for interest and depreciation)
Canadian Adventurer	$91,371.82	$ 6,883.65
Canadian Engineer	70,913.54	*4,450.00
Canadian Pathfinder	74,017.36	13,342.90
Canadian Sailor	73,493.45	5,464.34
Canadian Signaller	33,323.73	*8,973.92
Canadian Sower	79,676.91	*1,153.35
Canadian Trader	99,301.78	17,078.07
Canadian Warrior	34,849.54	*10,007.46
T. J. Drummond	14,170.00	7,200.64
J. A. McKee	14,170.00	7,087.80

* Deficits.

The interest and depreciation is as follows:

Canadian Adventurer	$68,159.43
Canadian Engineer	96,719.76
Canadian Pathfinder	90,937.13
Canadian Sailor	65,588.93
Canadian Signaller	77,417.99
Canadian Sower	68,101.38
Canadian Trader	65,256.02
Canadian Warrior	77,868.77

(d) It is intended to employ in the Great Lakes Trade this season the same steamers which were employed there last season.

LAKE FREIGHTERS T. J. DRUMMOND AND J. A. McKEE

INQUIRY

Hon. Mr. BENNETT called the attention of the Government to the sale of the lake freighters the T. J. Drummond and the J. A. McKee, and inquired from the Government:

(a) When each of the said vessels were purchased by the Dominion of Canada through the Department of Railways and Canals, or otherwise, respectively.

(b) The cost of the said vessels respectively.

(c) The value of the repairs placed on each of the said vessels during their ownership by the Dominion of Canada, either under the Department of Railways and Canals or under the Canadian National Railways.

(d) What were the said vessels employed at in the Season of Navigation of 1923, and what were the earnings of each of the said vessels respectively.

(e) The net profits (if any) of each of the said vessels during the said season of 1923.

(f) To whom were the said vessels disposed of, respectively, and what was the price paid for each respectively, and was such sale by public competition and how many offers received.

(g) Were the terms of payment cash; if not, what were the terms.

(h) Upon whose suggestion, counsel or advice were the said vessels sold and was such advice to sell placed before the President of the Canadian National Railways or the Board of Directors, before the same was assented to, or upon whose final advice was the sale made.

Hon. Mr. DANDURAND:

(a) T. J. Drummond, April 18th, 1917; J. A. McKee, April 18th, 1917. These vessels were transferred by the Department to the Canadian Government Merchant Marine on April 1st, 1920, but they had been operated by the Canadian Government Merchant Marine, Limited, on account of the Department, during 1919.

(b) T. J. Drummond, $515,000.00; J. A. McKee, $500,000.00. These vessels were transferred to the Canadian Government Merchant Marine, Limited, at the following cost: T. J. Drummond, $550,339.13; J. A. McKee, $521,514.11.

(c) Under ownership of the Department of Railways and Canals: T. J. Drummond, $30,984.26; J. A. McKee, $17,285.65. After transfer to the Canadian Government Merchant Marine, Limited: T. J. Drummond, $37,774.82; J. A. McKee, $26,182.07.

(d) The said steamers were chartered to the Great Lakes Transportation Company, Limited, for employment on the Great Lakes last season and their gross earnings were as follows: T. J. Drummond, $14,170.00; J. A. McKee, $14,170.00.

(e) The operating profits last season were as follows: T. J. Drummond, $7,200.64; J. A. McKee, $7,087.80. These figures do not include interest on capital, 5½ per cent, and depreciation, 4 per cent. These two items for the period January 1st to August 27th, when the said steamers were sold, would amount to $34,234.36 in the case of the T. J. Drummond, and $32,439.47 in the case of the J. A. McKee.

(f) The said steamers were sold to Messrs, N. M. Paterson and Company, Limited, of Fort William, Ont., for the sum of $110,000.00 net each after tenders had been extensively advertised for and six tenders received.

(g) The terms of the sale were $20,000.00 cash, the balance to be paid in five consecu-

tive equal annual instalments of $18,000.00 each, with interest at 6 per cent.

(h) Recommendation to dispose of said steamers was made by the Management of the Canadian Government Merchant Marine, Limited, which recommendation was submitted to and approved by the President and Board of Directors.

DIVORCE BILLS

THIRD READINGS

Bill J2, an Act for the relief of William Ewart Gladstone Pettinger.—Hon. Mr. Bennett.

Bill K2, an Act for the relief of Anna McGeachey.—Hon. Mr. Blain.

Bill L2, an Act for the relief of Antoine Pietranglo.—Hon. Mr. Blain.

INDUSTRIAL DISPUTES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.

He said: Honourable gentlemen, I do not think I need detain the House at great length in regard to this Bill, as it was before us for a considerable time during last Session. It is true that there have been some accessions to this Chamber since that time, but I am quite sure that those who have come to us since last Session are fairly au fait of the matter of the Bill. Perhaps, however, it would not be amiss for me to say that in 1907, when the Industrial Disputes Investigation Act was passed, there was and had been for a number of years considerable agitation and disruption of trade in a number of industries, due to difficulties that had arisen between the employees and the employer. The restlessness of labour throughout the world had been noticeable for a number of years. Many countries had applied themselves to the task of finding a solution which would bring about better conditions between capital and labour; and when this matter had been grappled with by this Parliament in 1907 it was felt that Parliament could boast of having done some advanced work towards establishing peace between these two important factors in our economic life. We all recognize that harmony between these two essential elements, capital and labour, is most desirable for the prosperity and happiness of the country. Undoubtedly they are linked together, and it goes without saying that it is important that they should work harmoniously together. They are two kinds of capital—one the material capital, and the other the human capital, and we should all recognize that the more important of the two is the human capital.

Before the present legislation was put upon the statute book there was hardly any way to prevent the struggle from which the community suffered. Labour was striving for better living conditions by means of the offensive arm, the strike. I think it was felt, not only in Canada but throughout the world, that our legislation was advanced legislation, and that we had been pioneers in this field.

What was the end proposed by this legislation? It was four-fold: first, to bring the parties together before the acute struggle began; second, by bringing them together, to investigate their grievances at the conference table; third, to offer suggestions of adjustment; and, fourth, to enlighten public opinion if the parties could not agree.

I believe that this piece of legislation has accomplished its objects to a very large degree. I have had occasion to state that between 1907 and 1923 there were 580 disputes investigated, and of that number, through bringing the interested parties together by means of the machinery provided by this Act, 544 strikes were averted. In only 36 cases was there a failure to bring about a settlement and strikes ensued. I believe these figures indicate clearly the efficacy of the Act.

Now, honourable gentlemen, I beg that you will approach this matter with sympathy and with an open mind, and, realizing that one of the parties largely interested represents human capital, that you will approach it with a kind heart. This Bill was before us last Session, but when Parliament prorogued the two Chambers had been unable to agree upon the terms of the proposed amendments. The Bill is now introduced in the Senate, just as it was introduced last year, with the approval—I might say with the unanimous approval—of the House of Commons. There is an old saying that has come down to us from medieval times, when many questions were referred to the highest moral authority of that period, His Holiness the Pope. It is a French saying which runs like this: "J'en appèlle du Pape au Pape mieux informé"—"from the Pope's judgment I appeal to the Pope better informed." From the Senate's judgment of last year I appeal to the Senate better informed.

Hon. Sir JAMES LOUGHEED: Would you give us the particulars?

Hon. Mr. DANDURAND: It will be my duty to contribute my mite towards informing the Senate better than I did last Session. I would feel if left alone with the weakness of my argument, that I might fail in the

attempt; but I know that I shall receive adequate support from honourable Senators around me and facing me, and I may succeed in informing the House better and more satisfactorily than we did last year.

Hon. Sir JAMES LOUGHEED: Names? Names? Names?

Hon. Mr. DANDURAND: I shall not attempt to repeat the statements, so concise, so clear and illuminating, made last year by the ex-Minister of Labour, who now faces me. He explained that labour at first was diffident about agreeing to the terms of this Act. Gradually fear left its ranks, and the labour element in this country became reconciled to it—for what reason? Because they found that in its operation labour was receiving fair treatment.

If the Act of 1907 and its amendments are read, it will be found that the vital principle is equality of treatment for employer and employee. What is that equality of treatment? It consists in the provision that before a strugggle begins, before a violent cleavage occurs, an investigation shall take place, and pending the report upon that investigation the parties shall remain as they were—the status quo shall be maintained. As my honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) so well explained last Session, labour accepted this obligation and awaited the result of the inquiry before going on strike. During the whole period while it was striving for an increase in wages it respected the law in spirit and in letter. This was the obligation of the employee: "You shall not strike during the investigation." What was the obligation of the employer? "You shall not alter conditions—the parties shall remain as they are." This is in the text of the Act itself, and the purpose of the amendment now proposed is not to make a change in that respect. "You shall not alter the condition when an application is made for an investigation, or until the report is made. Then, as the report does not bind any of the parties, you may do as you please." This was and is the law.

There is a defect in the application of the penalty provided by the law, and that defect, which appears now but did not appear in 1907, is this: The employee was not to strike; if he did, clause 59 stated the penalty:

> Any employee who goes on strike contrary to the provisions of this Act shall be liable to a fine of not less than ten dollars nor more than fifty dollars for each day or part of a day that such employee is on strike.

What was the penalty for a violation of the law by the employer? I draw the attention of this Chamber to the title of the Act of 1907. It is: "An act to aid in the prevention and settlement of strikes and lockouts in mines and industries connected with public utilities." The employee was striving to increase his wage. The employer could retaliate only by declaring a lockout. So the only penalty provided against the employer for violating this statute was directed against practically the only act which he could do in opposing an effort to increase wages, by penalizing him for declaring a lockout. Clause 58 provided:

> Any employer declaring or causing a lock-out contrary to the provisions of this Act, shall be liable to a fine of not les than one hundred dollars, nor more than one thousand dollars for each day or part of a day that such lock-out exists.

Now, one of the amendments which are proposed by this Bill alters this clause 58 by providing:

> Any employer declaring or causing a lock-out—

and here are the amending words—

> or making effective a change in wages or hours contrary to the provisions of this Act, shall be liable to a fine of not less than one hundred dollars. . . .

The penalty which is sought to be imposed by this amendment, for making effective a change in wages or hours, does not alter the law as to the obligation under the existing Act, requiring the employer to maintain the situation and not to alter any wage or hour, pending the investigation. It simply adds the penalty for violating that law.

I stated that I considered that this Bill had for its purpose to re-establish, or establish clearly, the underlying principle of the statute—the maintenance of equality of treatment between the employer and the employee. When I made that statement, I remember, my honourable friend from Montarville (Hon. Mr. Beaubien) said: "Oh, yes, I see what you want. It seems of little consequence to alter penalty clause 58, but I for one will not agree, because there are no teeth in clause 58"—no sanction, he meant. That is true in the case of the violation of the law under that head; but there are teeth in clause 59, which concerns the employee, and I believe that the underlying principle of this Act, which was to maintain equality between the employer and the employee, will be established by the Senate agreeing that fair and equal treatment shall be given to labour and capital.

The amendments which were brought in from the Commons had for their object

simply to make clear the will of Parliament to require that each party shall remain as it is, pending the investigation, and they make it clear by altering the penalty clause in the case of the employer, to provide that he as well as the employee must obey the law.

The Senate by its amendment, I contend, destroyed that equality of treatment, and I think I shall be able to show this simply by reading the amendment proposed by my honourable friend from De Salaberry (Hon. Mr. Béique) and adopted by this Chamber. It was in the form of an amendment to clause 57A, which reads as follows:

It shall be unlawful for any employer, without the consent of a majority of the employees, evidenced in writing, signed by them or their authorized representatives, or for any employee, to make any change in the conditions of employment with respect to wages or hours, unless the party making the change—

That is, in the case of the employer reducing the wage—

has before doing so applied for the appointment of a Board to which the dispute shall be submitted—

It is clear that the employer can give a notice to his employees that from a certain date he will reduce the wage, and that he has on the previous day applied for the appointment of a Board to which the dispute shall be submitted. It is quite clear that under this amendment made by the Senate last Session the employer has the right to reduce the wage, provided he has applied for the appointment of a Board. I say that this destroys the equality of treatment which it was intended to maintain as between employee and employer. The employee cannot strike and must await the result of the investigation and the report. Under the amendment of my honourable friend from De Salaberry the employer can alter the condition by reducing the wage, pending the investigation.

Hon. Mr. DAVID: Will the honourable gentleman allow me to ask him a question about hours? Let us suppose that the employer requires, in order to finish a very important piece of work, three or four more hours. What will happen? Will he not have a right to them?

Hon. Mr. DANDURAND: I believe he will if he pays an extra wage to the employee.

Hon. Mr. MURPHY: Will the honourable gentleman, who is so well able to clarify the situation, put the condition of the employer and that of the employee in juxtaposition, and say where the employer is affected and is diametrically against the employer?

Hon. Mr. DANDURAND: If the employee desires a change he must ask for a Board, and must remain in the condition in which he finds himself at the moment, until that Board has investigated his demand and reported to the Minister of Labour.

Hon. Mr. MURPHY: That is the employee?

Hon. Mr. DANDURAND: That is the employee. If the employer desires to effect a change, under the amendment which was carried by this Chamber he can make the change immediately, provided that he gives notice to the employees that he has asked for the appointment of a Board So, pending the investigation, the employee cannot alter his condition, whereas, pending the investigation, the employer may do so.

Hon. Mr. MURPHY: Just another question, if the honourable gentleman will permit me. After the Board is appointed, will the employee receive the benefit of the Board from the time that the employer puts the change into effect?

Hon. Mr. DANDURAND: The Board may find that the employee was entitled to an increase in wages and may suggest—for the Board's decision has no binding effect—that the increased wages be made retroactive, after a two months' inquiry, say. That is allowing a wide margin.

Hon. Mr. MURPHY: It means a good deal to the employee, though.

Hon. Mr. DANDURAND: But the employer may refuse to abide by the report of the Board, and then the strike may ensue. Conversely—and this was, I am quite sure, one of the factors which decided this Chamber to vote for the amendment of my honourable friend from De Salaberry—the employer may reduce the wages and declare to his employees, in accordance with the terms of this amendment, if it becomes law: "I asked yesterday for the appointment of a Board." The employees have to suffer the reduction of wages. The employer says: "If I am prevented from reducing the wages immediately, I may pay out with my good money the amount of the proposed reduction"—ten or fifteen per cent—"and after the report is made I shall be powerless to get back from the employees the amount which I unwillingly

paid them, because the employees may refuse to return the money and may go on strike. Then I shall have lost that margin by which I intended to benefit by reducing the wages at the outset." My answer to that argument is this. The employer knows when he should give notice to his employees of a proposed reduction of wages. He can fix that date in advance. If he knows that there is a penalty clause which will reach him if he violates the law and does not maintain conditions pending the investigation, he will give notice to his employees that two months hence he will reduce the wages; he will allow sufficient leeway for the investigation to go on. It is for him to fix the date, and I contend that in order to maintain equality of treatment between employer and employee we should prohibit the employer from altering conditions just as we have prohibited for the last 15 or 16 years the employee from altering conditions.

Hon. R. S. WHITE: May I ask the honourable gentleman how he would deal with this question? Suppose you are faced with an international proposition, and your men go about saying, "We cannot consent to any arbitration because we have already had our orders," what then? In any large manufacturing establishment there are always several key-men who are essential. If those men leave their employment, what is the employer going to do? What regulation is there to hold those men? They simply go out and take other positions. What machinery is there to protect the employer against that situation?

Hon. Mr. DANDURAND: There my honourable friend raises the question of the liberty of man. One can leave his employment any day and take other employment; he can leave one town and go and work elsewhere. There is a freedom of action which cannot be denied or thwarted by Parliament. We are making laws for the general welfare of the country. I recognize that it is very difficult to make laws which will cover all cases.

Hon. R. S. WHITE: As I read it, if these key-men leave the employment of an employer, and a Board is asked for, and he cannot carry on, he will still have to pay this penalty. If these men leave, what is the situation?

Hon. Mr. DANDURAND: I would not like to give an opinion off-hand. Nobody can be held, and when there are conditions which bring about the stoppage of the whole machinery of an institution, it is not the fault of the employer.

Hon. Sir JAMES LOUGHEED: Would my honourable friend consider the case where the employer has asked for a Board, and then reduces the wages or increases the hours, and the Board makes an award against either the decreasing of the wages or the increasing of the hours. Would not full justice be done to the employees by the compliance of the employer with the findings of the Board? In what way would the injustice arise if the finding was favourable to the employees?

Hon. Mr. CASGRAIN: He would have to pay them back wages.

Hon. Sir JAMES LOUGHEED: Would not that be done?

Hon. Mr. DANDURAND: He may refuse.

Hon. Sir JAMES LOUGHEED: Then, what would be the difference in the latter event from the employer having done it in the first instance? I see no distinction.

Hon. Mr. DANDURAND: The distinction is this. The law which is to-day upon the statute book, and which is the work of the Senate and the House of Commons, establishes absolute equality of treatment as between employer and employee. Both parties are obliged to maintain the situation; both parties are prevented from altering the conditions under which they are working when the trouble arises.

Hon. Sir JAMES LOUGHEED: Then, will my honourable friend deal with this phase of it. The distinction is this. The employee has nothing at stake but his wages; the employer has the capital of his business at stake, and his entire equipment.

Hon. Mr. DANDURAND: But my honourable friend will not forget that the employee's whole capital is his labour, and that is at stake. On the other hand, the employer may have some of his capital at stake.

Hon. Mr. MURPHY: What about the other fellow's brains?

Hon. Mr. DANDURAND: What about the employee's brains? I feel that, in dealing with this question, we must treat both parties with at least equality, because human capital is far more important than the other kind of capital.

Hon. L. C. WEBSTER: Does the honourable gentleman not believe that full justice is being done at the present time to both parties?

Hon. Mr. DANDURAND: No. Full justice is not done to both parties, because the employee is reached fully and is penalized for any disobedience to the Act, while the employer manifestly escapes, because the penalty clause does not cover him. Clause 57 of the Act as it at present stands says:

> Employers and employees shall give at least 30 days notice of an intended change affecting conditions of employment with respect to wages or hours; and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered through the Registrar to both the parties affected, neither of those parties shall alter the conditions of employment with respect to wages or hours, or on account of the dispute do or be concerned in doing, directly or indirectly, anything in the nature of a lock-out or strike, or a suspension or discontinuance of employment or work, but the relationship of employer and employee shall continue uninterrupted by the dispute, or anything arising out of the dispute.

That is the law. The employer can with impunity violate that clause concerning wages or hours. Section 58 of the Act provided for penalizing an employer only in the case of a lock-out. The amendment proposed seeks to reach the employer who violates the law.

Now, to come to concrete cases. Last year, or the year before, a great institution, as powerful a one as there is outside of Parliament, the Canadian Pacific Railway gave notice to its employees that from a certain date there would be a wage reduction. The employees said: "Wait a moment. When we wanted to alter conditions we could only do so after a Board had reported upon the question. You cannot make this reduction, in virtue of the law, before an investigation takes place, and the Board makes a report."

Hon. Mr. ROBERTSON: I desire to call my honourable friend's attention to the fact that all the railroads in Canada participated jointly in that action, and that the Canadian Pacific Railway should not be singled out in this connection.

Hon. Mr. DANDURAND: That is true, and it makes my argument stronger. All the railroads had given notice of a proposed reduction at a certain date. When representations were made that they were violating the law, they admitted the justice of the representations, and applied for the appointment of a Board.

Hon. W. B. ROSS: I would like to ask the honourable gentleman if there are any cases of employees having been fined for striking, contrary to the provisions of that law?

Hon. Mr. DANDURAND: I cannot say. My honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) may be able to tell you. But that would not alter the principle which I lay down as to the equality of treatment which must be meted out to both employers and employees.

Hon. Mr. MURPHY: Could not those key-men, to use the phrase introduced by my honourable friend to the left (Hon. Smeaton White), be dealt with in the same manner as the Department of Labour has dealt with Mr. J. C. Watters, who was put on a salary of $250 a month to keep him quiet.

Hon. Mr. DANDURAND: When a key-man leaves his employment and goes to other labour, he is free to do so.

Hon. Mr. MURPHY: But the Department took this man up and gave him $250 a month to keep him quiet.

Hon. Mr. DANDURAND: I shall not now discuss particular cases. I am dealing with general principles. I think I have made it clear that the employer cannot suffer under that equality of treatment with the law as it is, because he can take time by the forelock and fix a date far enough ahead to enable him to apply for a Board.

Now, honourable gentlemen, you have the point of difference between the House of Commons and the Senate, as to maintaining equality and providing an assurance that it will be maintained. The proposed amendment to section 57 simply clarifies the situation. It says:

> It shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike.

And:

> The application for the appointment of a Board shall be made by the employers or employees proposing the change in wages or in hours.

There is no special difficulty as to this last amendment, I think I have stated clearly the point at issue between the House of Commons and the Senate.

Hon. Mr. CASGRAIN: The honourable gentleman has spoken about equality. There is no equality. He says that if an employer causes a lock-out he is liable to a fine. The honourable gentleman from Inkerman (Hon. Smeaton White) asked what would happen if the key-man or some others walked out and the work stopped. The Government says: "Oh, that is the liberty of the subject." The liberty of the subject is for the workingman, but if the liberty of the subject is for the workingman and not for the employer, where is the equality?

Hon. Mr. ROBERTSON: May I call attention to the fact that the honourable gen-

tleman from Inkerman was referring to an industry which does not come within the scope of this Act.

Hon. Mr. DANDURAND: My honourable friend has answered fully the question of the honourable gentleman from Inkerman. Honourable gentlemen will notice that I have not touched upon the constitutional aspect of the question at all.

Hon. W. B. ROSS: I would like to hear my honourable friend fully as to that.

Hon. Mr. BELCOURT: Before the honourable gentleman goes on, may I confess that I am not clear in my mind upon this matter, and would like to know whether the change proposed by this Bill is merely to provide that, in asking for a Board or in making a change in wages or hours, the employer shall file a statutory declaration to the effect that there have been negotiations between the committee of the employees and the employer, "or that it has been impossible to secure conference or to enter into negotiations." Is that the only difference between the law as it stands and what is proposed in the Bill?

Hon. Mr. DANDURAND: Certainly not. My honourable friend has not read the Bill. He will find the amendment to each clause underlined. The honourable gentleman will notice that under the Act it was obligatory that there should be a conference between the employer and the employees. But a case may arise in which one of the parties will refuse to meet the others; hence the amendment. If my honourable friend will turn now to Section 2 he will find the contentious clause:

Employers and employees shall give at least thirty days' notice of an intended or desired change affecting conditions of employment with respect to wages or hours.

My honourable friend does not need any explanation as to the words, "or desired," because, as I said last Session, the word "intended" is meant for the employer, who has the power to carry out his intention; whereas, the employee is covered by the word "desired," because he can only wish for the change.

And in the event of such intended or desired change resulting in a dispute—

now here is the amendment—

—it shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike.

If that clause were not in, there would still remain in the Act all the essence of the prohibition. This amendment is but a clarifying one.

Hon. Mr. BELCOURT: You mean, the spirit would remain.

Hon. Mr. DANDURAND: Yes. Now I wil read it without that amendment, and my honourable friend, as a lawyer, will see that it contains all the necessary prohibition.

Employers and employees shall give at least thirty days' notice of an intended change affecting conditions of employement with respect to wages or hours; and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered through the Registrar to both the parties affected; neither of those parties shall alter the conditions of employment with respect to wages or hours.

The words in the existing section are fairly clear, but it has been the opinion of the Department that the section should be made clearer. I do not suppose there will be much objection to that clause.

The contentious part is section 58, where we find the teeth provided where they were lacking in the Act as it stood.

Hon. Mr. CASGRAIN: For whom are the teeth intended—the employee or the employer?

Hon. Mr. DANDURAND: The teeth for the employee were in the Act.

Hon. Mr. CASGRAIN: How do you use them?

Hon. Mr. DANDURAND: It was for the honourable gentleman to use them if he pleased.

Hon. Mr. CASGRAIN: How can they be used? Explain.

Hon. Mr. DANDURAND: Very easily. The tribunals are there for everybody. The teeth could be used against the employer only in the case of a lockout.

As to the contsitutionality of the Act, my honourable friend asked me to produce a number of judgments from the Privy Council and other tribunals. I recognize that by implication, in examining judgments of the Privy Coucil, some doubts may arise as to the power of this Parliament to legislate as it did in 1907; but we have now a decision of the Court of Appeal of Ontario, in which four out of five judges declared this Act to be constitutional.

Hon. W. B. ROSS: Not the new Bill, but the old Act.

Hon. Mr. DANDURAND: Without the amendments that we are proposing.

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: But the amendments are consequential amendments.

Hon. Mr. ROSS: That is argument.

Hon. Mr. DANDURAND: They do not extend the principles in the least. The principles of the Act remain as they were. So I claim that, shielded by the judgment of the Court of Appeal of Ontario, it is not for us to question our jurisdiction. That judgment may be reversed by a higher tribunal, but in the meantime we are on fairly solid ground in amending, without altering the principle, an Act that has been on the Statute Book since 1907.

Hon. W. B. ROSS: Honourable gentlemen, I have very few remarks to make on this Bill at the present stage. Last year when it was before us it went to Committee. I think the major part of the discussion on it took place in Committee, where amendments were moved; and I have no doubt that in Committee we shall come to the points more quickly; amendments will be moved again this year, and the points raised for discussion by these amendments can be dealt with better than at present.

There is only a little I want to say, with regard to the right of the House to deal with this Bill at all. I agree that generally where the courts of the country hold an Act to be constitutional or unconstitutional, it is well for this House not to interfere, but to await any change that may take place on appeal. But I call the attention of the honourable leader of the Government to a conclusion reached by a conference in Washington—I do not know the exact technical name of it, but it was one of those labour conventions that met under the provisions of the Treaty of Versailles. It dealt with the question of the eight-hour day. When that knotty question came here, in the time of the late Government, I understand that the Government avoided dealing with it by taking the position that whether the working day should be eight hours long or not was a matter for the provincial governments. I do not understand that the present Government has departed at all from that position. It is somewhat inconsistent to take such a position with regard to the eight-hour day and then to submit to us a Bill making it criminal to do certain things with regard to wages and hours. If you have jurisdiction with regard to those matters you have also with regard to the eight-hour day. If you have not the right to deal with the eight-hour day, you have no right to deal with matters affecting wages and hours.

Certain points concerning our legislation are clearer now than they were two years ago. There was a great dispute among the lawyers of this country during the war with regard to the power of the Dominion Parliament to override provincial laws. That dispute is finally set at rest by the Fort Frances case. A subject relating to property and civil rights is assigned under the British North America Act to the provinces. The Dominion Parliament under ordinary circumstances cannot interfere with property and civil rights; but in the event of an emergency like a foreign war, or an internal war, or a famine that extended to the whole country, or any circumstance of that kind, the larger power of the Dominion Parliament under section 91 of the British North America Act to make laws for the peace, order and good government of Canada can be invoked, just as it was invoked during the war; and as long as that emergency exists the Dominion Parliament can ride roughshod over every other legislative institution in Canada—provincial, municipal, or whatever it may be.

There is one thing to note about the judgment of the court in Ontario. They seem to have had an idea that we could legislate with regard to this matter in view of it being a national affair—something that concerns the whole country; but that will not do. There is no emergency at this time: there is no foreign war; there is no internal war. So there is no justification at all for this Parliament assuming jurisdiction over what is purely a provincial right.

Hon. Mr. DANDURAND: The honourable gentleman is now sitting in judgment over the Court of Appeal of Ontario.

Hon. Mr. ROSS: No, I am not sitting in judgment over them at all, but I am asking my honourable friend to declare himself with regard to the eight-hour day. Is this Government consistent in tossing that subject to the Provincial Legislature, saying that it cannot deal with the eight-hour day, and then bringing in here this Bill dealing with wages and hours? That is the particular point I am on. I do not intend to labour it long, because there is a way out of the difficulty: some manufacturer can file an action against the Attorney General for a declaration that the whole Act is ultra vires, and the question can be determined in that way. But I would like to know just what position the Government is taking with regard to legislation on property and civil rights; that is, the civil rights that are denoted by wages and hours. As I have said, I am not going to labour the point any further. I have nothing to say about the judgment of the Supreme Court of Ontario. They may be right, or they may be wrong.

There is another thing, which came up last year and which the honourable gentleman referred to in his argument. He is very anxious to produce equality between employer and employee. That is a very fine, pious sentiment, and is probably creditable to anyone who holds it: but there is this difficulty about the Act. Suppose an employer gives thirty days' notice of a proposed change, and then there is a dispute. In that event the employer's hands are tied until the termination of that dispute—until a Board meets, investigates the differences and gives a judgment that ends the matter. The inquiry may take one month, two months, three months, or more. Suppose the question is a reduction in wages to the extent mentioned by the honourable member—10 or 15 per cent. The employer may have paid out the higher wage for thirty days, that is, during the time his notice was running, and then for three months afterwards. If he has a large body of men employed he may have paid out three or four months' wages to the extent of ten or fifteen per cent in excess of what would have been paid if the reduction had taken place. When the Board does finally determine the question, if the decision is in favour of the employer, how is he going to get his money back?

Hon. Mr. DANDURAND: I answered that by stating that he may take time by the forelock and give notice that in two months he will reduce the wages. Then he has plenty of time and leeway in which to obtain a report from the Board.

Hon. Mr. ROSS: That is assuming that an employer is different from all other men and that he can foresee the future.

Hon. Mr. BELCOURT: No; he would have paid nothing in excess in the meantime.

Hon. Mr. ROSS: But the honourable leader of the Government speaks of the employer looking away ahead and saying, "Two months from now I am going to make a reduction." He may want to make his reduction in a week in order to meet the situation. So you put the employer in the position that his money is paid out, and if there is any way of getting it back I do not know of it, and I have never heard it suggested. Suppose, on the other hand, that the reduction does take place. After thirty days' notice a reduction of ten per cent is made, and it is acted on for three months, but the decision is in favour of the men. There are very few cases in which the men will not be able to get the ten per cent, assuming that the statute is retroactive, as last year, on careful examination, we determined it was. There have been in this country one or two cases of retroactive decisions acted upon.

Hon. Mr. DANDURAND: Of course, the Board's report is not a judgment; it is only a suggestion.

Hon. Mr. BELCOURT: A recommendation.

Hon. Mr. DANDURAND: A recommendation. It is not a binding judgment.

Hon. Mr. ROSS: But there are at least two retroactive decisions that have been given here in Canada. I think the honourable the ex-Minister of Labour (Hon. Mr. Robertson) told us of two, possibly three. It is all very well to try to bring about equality and justice, but I do not think you are getting equality in this way.

Hon. Mr. BELCOURT: Honourable gentlemen, I am not going to discuss the constitutional question at any length, because I have not yet had an opportunity of reading the judgment just delivered by the Court of Appeal of Ontario, but there is one aspect of the matter upon which my honourable friend has not touched and which I think is of considerable importance. It is now accepted doctrine that the Dominion has power to legislate on subjects assigned to the provinces where our legislation on any such matter is merely incidental to a subject upon which we clearly have jurisdiction. Take, for instance, the subject of property and civil rights. We may pass laws under the head of trade and commerce, which is exclusively assigned to the Dominion Parliament, and in so doing we may affect property and civil rights in the provinces yet, according to the doctrine laid down by the Privy Council and now accepted by everybody, that would be perfectly correct so long as it is a necessary corollary or incident of the legislation on the subject as to which we clearly have jurisdiction.

The constitutionality of the Industrial Disputes Investigation Act has been supported at times on the ground that industrial disputes are incidental to trade and commerce and fall under the very illustration that I am bringing before the House.

Hon. Mr. DANDURAND: Peace, order, and good government.

Hon. Mr. BELCOURT: Peace, order, and good government. I do not know whether the Court of Appeal has adopted that view, or exactly on what ground this judgment has been given.

Hon. Mr. DANDURAND: On both grounds.

Hon. Mr. BELCOURT: This constitutional aspect of the question is one which deserves our most serious consideration. If it is true that the Industrial Disputes Investigation Act is merely a matter affecting trade and commerce—and one would think it is—then we have jurisdiction.

There is only one other observation I wish to make, because I do not want to deal with this matter at length. As I understand it, we are not adding to the law any material provision, or any provision which, if the law is constitutional at present, would make it unconstitutional. We are merely interpreting the Act as it stands. We are putting in what it is easy to conceive has been the spirit of the Act from its inception. If we pass this Bill I do not think we shall render unconstitutional an Act which otherwise would be constitutional. It seems to me those two points ought to be sufficient to justify this House in passing the Bill now under consideration, inasmuch as four judges out of five in the Court of Appeal have supported the legislation on these very grounds.

Hon. W. B. ROSS: Let me point out to the honourable gentleman that the judgment of the Court of Appeal of Ontario has reference to the old Act. What we are doing now is to make certain things criminal. Take section 58.

Hon. Mr. BELCOURT: It has to do with wages and hours. Does my honourable friend make any distinction between hours and wages, with reference to the power of legislation?

Hon. W. B. ROSS: No. I would think they would both be civil rights; and in the absence of anything like an emergency my theory would be that we have nothing to do with them.

Hon. Mr. BELCOURT: I quite agree with my honourable friend; I would not say for one moment that the constitutionality of this Bill could be supported on the ground of emergency; it must be because it falls incidentally under the two subjects mentioned, trade and commerce, and peace, order and good government.

Hon. W. B. ROSS: In the Attorney General of Ontario vs. Reciprocal Insurers, decided in January of this year, it was held that this Parliament cannot grasp jurisdiction over a civil matter by turning it into a criminal matter. That is what you are trying to do here.

Hon. Mr. BELCOURT: Is my honourable friend not prepared to admit that my proposition is sound, namely, that if you are by some legislation affecting property or civil rights in the province only incidentally while dealing with a subject over which you have jurisdiction—

Hon. W. B. ROSS: I grant that at once; but, after all, that has to be answered in another way. What are you doing? Are you legislating in this Bill in regard to trade and commerce?

Hon. Mr. BELCOURT: Or criminal law, which is equally a subject for the Dominion Parliament.

Hon. W. B. ROSS: Can you turn any civil right into a crime? You have to answer that question first.

Hon. Mr. BELCOURT: I do not follow you.

Hon. W. B. ROSS: If this Parliament can grasp jurisdiction by contending that something is a crime, there is not a civil right left in the country.

Hon. Mr. DANDURAND: I begin by looking at the series of matters upon which we can legislate, in section 91 of the British North America Act, and if we can assert our powers under the authority of that section, then, of course, we can incidentally invade the powers granted to the provinces under section 92. My honourable friend makes that statement. That is the position which the Court of Appeal takes—that under trade and commerce, and peace, order and good government, this Parliament has a right to legislate as it is doing although it does incidentally invade property and civil rights.

Hon. Mr. BELCOURT: My honourable friend will remember that when we were legislating with regard to the sale of intoxicating liquors, on different occasions our right to do so was questioned, and it was maintained on the ground that we could stipulate criminal provisions and impose penalties, and that because we had the right to deal with it under the criminal law we could confiscate civil rights. That is one of the very cases in which the Privy Council maintained our right to legislate on property and civil rights.

Hon. W. B. ROSS: But that was all preceded by the general proposition that the control of intoxicating liquor was a national question, and concerned the peace, order and good government of Canada; but the right of a man to hire a servant girl and dismiss her, or to hire men in a factory and regulate

their wages and hours and dismiss them, is another thing altogether. What you have to look at now is whether you are creating a crime for the first time, or whether you are dealing with trade and commerce, or whether you are not by subterfuge legislating away from a man his right to regulate the hours and wages of his servants.

Hon. Mr. DANDURAND: My honourable friend says that the Supreme Court of Ontario has declared the old Act constitutional. What was the old Act? Here it is:

Employers and employees shall give at least 30 days' notice of an intended change affecting conditions of employment with respect to wages or hours; and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered through the Registrar to both parties affected, neither of those parties shall alter the conditions of employment with respect to wages or hours.

That is what the Court of Appeal has declared to be constitutional. We go one step further and say, in legislating on a matter that is under federal jurisdiction without any question: "If you violate that law which is already on the Statute Book and which has been declared constitutional, you shall be punished."

Hon. W. B. ROSS: Yes, you constitute a crime now that you did not have under the old Act.

Hon. Mr. DANDURAND: The old Act was declared constitutional.

Hon. Mr. DAVID: Suppose an employer is a farmer employing 10, 20 or 30 men, what will happen?

Hon. Mr. DANDURAND: He does not fall under this Act.

Hon. G. D. ROBERTSON: Honourable gentlemen, I would like to say a few words in connection with this subject, especially on some of the points that have been raised this afternoon, in the hope of assisting, if possible, to clarify the matter in the minds of honourable members. Let it be remembered, first, and constantly borne in mind, that this Act applies only to public utilities; that is, industries such as transportation, coal mining, gas companies, electric light companies, and so forth, that serve the public. It does not apply to any private industrial or manufacturing concern.

With that basic thought in mind, let us proceed to analyze some of the points raised. For example, the honourable member from Middleton (Hon. W. B. Ross) seems to fear that this Act fixes wages and hours, or contemplates doing so. A careful perusal of the Act will make it clear, I am sure, that it has no such purpose. It provides that when a dispute arises between a public utility and its employees, in the public interest there shall be no lockout and no strike until a tribunal, as prescribed by the law, has been created and has investigated this dispute. The Act is one of investigation only.

Hon. Mr. BELCOURT: May I ask my honourable friend whether the meaning of that is that this tribunal does not inquire into the propriety or impropriety of the wages or hours? It does not decide anything.

Hon. Mr. ROBERTSON: The tribunal so appointed makes an investigation, and reports to the Department of Labour, recommending what in its opinion would be a fair adjustment of the dispute. It then remains to the parties to the dispute to assent to or decline to assent to the recommendation made by the Board.

Hon. Mr. BELCOURT: It does not affect any legal right of the parties?

Hon. Mr. ROBERTSON: No.

Hon. W. B. ROSS: Would the honourable gentleman mind reading the definition of "employer" in the Act. I understand the honourable gentleman to say that that applies only to public corporations. I shall read it:

"Employer" means any person, company or corporation employing ten or more persons and owning or operating any mining property, agency of transportation or communication or public service utility, including, except as hereinafter provided, railways whether operated by steam, electricity or other motive power, steamships, telegraph and telephone lines, gas, electric light, water and power works.

It is wider than "public utility."

Hon. Mr. ROBERTSON: I would like my honourable friend to point out what industry or utility referred to in that section is other than a public utility.

Hon. W. B. ROSS: It means any person, company or corporation, employing ten or more persons, and owning or operating any mining property. If ten men own a mining property they are not a public utility.

Hon. Mr. ROBERTSON: They are, within the meaning of the Act. It applies in a large way, of course. But the Act does not apply to private industries such as a manufacturing plant or a printing establishment, except by the consent of both parties. When an employer who is a proprietor of a manufacturing establishment, and his employees

have a dispute, and they agree to refer their dispute to a Board under the Act, then the Department of Labour will establish a Board to make an inquiry; but the Department has no power to appoint a Board except by mutual consent of the parties other than in public utilities.

I fear also that there is some misunderstanding in the minds of some honourable gentlemen as to the manner in which strikes are called. It was suggested, I think by the honourable gentleman from Inkerman (Hon. R. S. White) that a few key-men might be called out of an industry. He was referring to an industry not covered by the Act. I want to make it clear that the laws of the employees' organizations provide the only means and methods by which this concerted action can be taken, namely, if, after a Board has made its recommendation, the employees feel that it is not acceptable, they refer the facts, along with the recommendation of the Board, to their membership, and only upon the sanction of a substantial majority of the membership, plus the approval of the officials of the organization, is it possible for a strike to be called. The key-men referred to are never removed from service, and the rest are not called out, because it must be by the voice and vote of the employees themselves that action of that sort is taken. While the honourable gentleman who raised these points had in mind an industry that does not come within the Act, I want to make it clear that it is not possible for that to occur in any public utility such as this Act covers.

Now, how did the necessity for these amendments arise? Let us all be clear on that point. The Industrial Disputes Act has been in force since 1907. It was not until 1921 that the question arose as to the observance of it. The spirit of the Act, as the leader of the Government has pointed out, has not changed. It was always the law since 1907 that during the interim that a dispute is under investigation there could be no change made in conditions or in wages by either party. In 1921 all of the railway companies in Canada sought to reduce wages, and they served notice on their employees in all classes of their service to that effect. At the expiration of the 30 days required by this law, which the railways respected that far, they met their employees and negotiated with them, but were unable to reach an agreement as to what should be done by way of a reduction. For 14 years prior to that time, whenever that situation arose the employees had always applied for a Board when they could not agree with their employers. In 1921 all these railway companies—I am not blaming any particular one, because all took similar action jointly—instead of complying with the law and applying for a Board, they gave notice that on the 16th of July, 1921, they would put into effect an arbitrary reduction of wages amounting to about $13 per month on the average. The employees objected, saying: "That is not right, because it is in violation of our agreement with you, and in violation of the law." The employers said: "We are going to do it anyway." And they did. Then the employees came to a realization of the fact that there was a flaw in the Act, namely, that while the law prevented, or at least forbade, a change of conditions until the matter had been the subject of investigation by a Board—and the employers had refrained from applying for a Board—yet a reduction of wages had been put into effect; but there was no penalty imposed. When the employees made application for a Board and the Board sat and the dispute was finally adjusted the inequality my honourable friend pointed out showed itself very conspicuously and I will quote a parallel case on the other side to bring out that fact. The first case that was ever tried under this Act was in 1907. I happened to be the representative of the employees applying for the Board. We reached the limit of our ability to negotiate with the railway companies in July 1907, and could not come to an agreement. They denied us any consideration. At that time we were getting $40 or $45 a month. We applied for a Board. The Board subsequently sat, and rendered its report, I think, about the middle of October. But from about the first of August to the end of October—I think the settlement became effective on November 1st, if I remember correctly—the employees were waiting. For what were they waiting? For what they surely felt themselves entitled to back in July when they were negotiating, but for what they were prevented from obtaining by reason of the requirements of this law. That delay, as I pointed out last year was one of the objections the workmen had to the adoption of this Act. That adjustment finally took place, I think, on the 1st of November and was effective from that date. Now, is it not fair to say that in 1921, when the same employer, along with others, made up his mind that the time had come when there should be a readjustment of wages, he should have been required to follow exactly the same practice that the employees had to follow and had followed for fourteen years, and make his application for a Board when he could not reach an agreement by negotiation? Let the Board sit and make its

report, and if the Board conceded that the wages should be reduced, the chance of both parties accepting the finding would be much greater than under the method by which the railways proceeded.

There are three specific points in this. The first is one that has not been discussed at any length, and need not be, namely, the amendment providing that where an employer declines to negotiate with his employees, the fact that he has refused does not prevent them from making application for a Board legally. That passed without discussion last year and I believe it is not in dispute now.

The second amendment is that the employer or the workman, whichever of the two is seeking the change, must, if an adjustment is not reached by negotiation, make application for a Board as the Act requires, and that during the time that that matter is the subject of investigation by a Board, and until the Board's report is filed with the Minister and Department of Labour, neither party shall make any change in wages, hours or working conditions.

Hon. Mr. DANDURAND: That last condition was in the Act before.

Hon. Mr. ROBERTSON: That was in the Act; but in order to make it conform to the proposed changes in section 58 of the Act it was necessary to include that also in 57.

In section 58, which is the penalty clause affecting employers, we find, as my honourable friend properly described it, the teeth. Section 59 of the Act imposes a penalty upon employees if they fail in any respect to comply with the law. It is true that the penalty on the individual employee is much smaller than that on the employer, but, to use the same railway as my honourable friend did for illustration, the Canadian Pacific, there is only one company while there are probably 70,000 employees; so the cumulative penalty is many, many times greater upon the employees than it is upon the employer. But, inasmuch as neither has suffered in times past, I do not think we need worry much about that.

I do desire, however, to point out that the difficulty in 1921 was that there was no penalty for this particular offence. Section 58 of the Act provided a penalty against employers if they declared a lockout, and in that case they reduced the wages, but did not lock anybody out. They said: "Come on and work for us, but at a reduced wage." The whole object of the proposed amendments now before this House is, I understand, to cause the Act to be observed as it has always been intended that it should be observed. The present intention is to overcome that technicality by which the employers were able to evade their responsibility and obligation under the Act in 1921.

I would submit for the consideration of honourable gentlemen the suggestion that if there is any reluctance to give this Bill its second reading without prolonged discussion, and if it has to be examined minutely, it might be wise to refer it to a committee. It might be referred to the Standing Committee of this House on Labour, or I am entirely willing that it be referred to the Standing Committee on Railways, because this is largly a railway matter.

Let me give the House a reason why I think that should be done if we cannot agree among ourselves now and approve the Bill. I would respectfully call honourable gentlemen's attention to the experience had in this House, extending over a number of years, on another matter. Three times during a period of twelve years the House of Commons passed a Bill whereby railway employees in this country were to be paid twice a month instead of once a month, as had always been the practice from the time railways began. Three times this House in its wisdom saw fit not to approve of or agree to that Bill. In 1917 it was my privilege to discuss that matter in the Senate and to urge that honourable gentlemen withhold any decision on the subject until they had an opportunity to learn the facts in detail. I appreciated very much the action of the House in referring that Bill to the Committee on Railways, Telegraphs and Harbours. As a result, one gentleman, who is now deceased, to the regret of us all, and who had always been strongly opposed to the Bill when it was before this House, after hearing the explanations and hearing the president of one of our railroads, who came before that Committee, say that the railroad had no objection to it, moved the adoption of that Bill, which had been denied those employees on all our railways for twelve long years.

I submit that this matter is of sufficient importance to be referred to a special committee.

There is a fundamental principle involved, namely, whether or not workmen and employers are to enjoy absolute equality in the application of laws affecting them both. I therefore support the motion of my honourable friend that this Bill be now given its second reading, and, if it is not, I would

respectfully urge that it be referred to the appropriate committee, so that a proper investigation may be made and witnesses can be heard from both sides.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I desire very briefly to state the reasons why, notwithstanding the very eloquent plea which has been repeated this Session by my honourable friend from Welland (Hon. Mr. Robertson), I cannot support the Bill. It is passing strange to me that the plea for this Bill is made in the name of justice and equality. Let us take up the Bill. This House, which is composed of experienced lawyers and men who command in industry, will look beyond the paper and the print of this measure and examine the facts as they really are and as they present themselves in everyday life. I will try to give, at all events, one concrete example.

In my humble opinion the first two clauses are of very little value to the existing legislation. What is the first amendment? It fixes the conditions under which a statutory declaration may be made for the purpose of obtaining a Board. It is already provided in the statute that if all efforts at satisfactory settlement have failed, a declaration may be made and a Board obtained. That is a pretty wide provision, that if all efforts to obtain a satisfactory settlement fail, then you may obtain a Board. To my mind it is a blanket clause covering practically every conceivable effort that can be made. What does the amendment add? If it has been impossible to secure a conference or to enter into negotiations, a statutory declaration may be made. It is quite evident that the law as it stands covers that situation, and in my humble opinion this is nothing but a clause for the purpose—shall I say?—of camouflaging the clause which is at the end of the Bill, so that it might not come before us in its full nakedness and we should not be frightened at it.

What is the second provision? The second clause repeats pretty much what is already in the Act; and, if my honourable friends would like to be fully convinced that this same impression was given to the Law Clerk of the Senate, they have only to refer to his preface to the amendments, in which he says that there is practically nothing changed in the law.

But in the third clause is to be found the purpose of the whole Bill. Is that provision a just one? How did the law treat both parties when they had entered into a contract and had disagreed. The law was apparently fair to both parties. I say "apparently, because, as I shall show, it was unjust, notwithstanding. It said to the employer, "You shall not lock out your employees." The employer was, as it were, deprived of his weapons. The law disarmed him. How did it treat the employee? The law purported to disarm also the employee by declaring, "You shall not strike."

What does this proposed legislation impose on the employer? An employer may be face to face with bankruptcy. My honourable friend knows very well that the price of coal has lately fallen no less than 50 cents a ton. Does he think that with the very small margin in coal mining it will still be possible to continue paying miners the same wages? Not only can the employer not dismiss his men but he will further be penalized. You have tied him up. He cannot lock them out. Will you force him to go on with the contract at the original rates and ruin himself absolutely? Is that reasonable? Is that what you are driving at? Is that the way you would build up this country?

Hon. Mr. DANDURAND: Do you mean ruining him because he has to wait a month, or two months at the outside?

Hon. Mr. BEAUBIEN: It may be for two or three months at several hundred thousand tons of coal a month. My honourable friend can perfectly well undertsand what it means.

Hon. Mr. ROBERTSON: In the event of a large employer in the coal industry having a contract with his workmen extending for a year, and the selling price of coal rising $1 a ton shortly after the contract is made, does he not expect his workmen to respect their contract and fulfil it?

Hon. Mr. BEAUBIEN: That is not at all the situation. But I will revert in a moment to a case which will be familiar to my honourable friend and which I cited last year. That instance did indeed occur, but the shoe was on the other foot. I appeal to my honourable friend, who is experienced and was for a long time Minister of Labour. He has dealt with people who control large bodies of men. He well knows how difficult it is for them to lower the wages of their employees—what it means to them in trouble, annoyance, and loss. It is only in the last extremity that they attempt to lower wages, because it is the most difficult thing in the world to do. Therefore it is only when nothing else can be done that wages are reduced. What are you going to do? You are going to hold the employer until the proceedings are finished, although they may last two, three, perhaps four months. In the mean-

time out goes his money, and it will never be retrieved. Will any honourable member seriously contend that, if after three or four months the Board declares that the employer was right and the wages should have been reduced, the employer can get any part of his money back? Has it ever happened?

Hon. Mr. ROBERTSON: Yes, sir.

Hon. Mr. BEAUBIEN: Is it fair to expose capital to such risks in a country which requires it so much as ours? Is it judicious in the interests of the country to pass legislation of that kind? Will anybody here contend that labour has been ill-treated in Canada? Is there an honourable member of this House who can say truly and sincerely that the law which it is proposed to amend has ever been unjustly applied to the labour man? Are there not many in this House who know that the contrary is true—that very often this law has been unjustly applied to employers?

Let me remind my honourable friend of what happened in Toronto. By an agreement reached between the Toronto Railway Company and its employees, wages were fixed for a period of two years. Three months later the employees came to the Company and said: "We want more money, but we are not asking for increased wages: we ask for a bonus." But the Company said: "It comes out of the till just the same; it is really increased wages. We cannot grant them. What have you to say about this contract which you signed in good faith three months ago?" "We don't care. If you do not grant us this increase we will go down to Ottawa and get a Board." The men came down to Ottawa, and a Board was established. The Company's representative went to the Minister, showed him the signed agreement upon which the ink was hardly dry, and said: "Look at this. Are you going to uphold contracts made in good faith? Are you going to point out to these men that they have agreed to work for two years at these wages and that they must go back to their work? The Company's representative said further to the Minister: "Please look at the amount of this Company's income. See how it is hampered because it is getting only the same fare that it got before the war. See for yourself; investigate and find out for yourself that it is impossible for the Company to pay increased wages without using up all its capital." What was the answer? I do not blame my honourable friend here (Hon. Mr. Robertson): he was in a position of great responsibility, and his decision meant perhaps a great deal to many people besides the labour people. He decided for the men. The men got their Board; and what did it do? It was quite evident that the Board could do only what it did. It decided in favour of the Company—that the Company was right, not only because the agreement had been made in good faith, but because the Company could not possibly pay increased wages.

Hon. Mr. ROBERTSON: My honourable friend has clearly and forcibly stated what occurred in the year 1918; but I would ask him and the House: was it or was it not wise in attempting to administer affairs at that time, difficult as they were, to finally agree, after careful consideration, to cause an investigation to be held, and, if possible, to avoid a struggle which would have taken place immediately if there had been a refusal to establish a Board? The struggle eventually did come, but at that it seemed quite possible that it might be avoided. After the investigation had been held by the Board, was there not a greater chance of the men accepting the representations of that tribunal than the arbitrary decision of a Minister of the Crown?

Hon. Mr. BEAUBIEN: I am very glad my honourable friend has given that explanation. I have nothing to add to it. I will simply go on with a recital of what happened. The decision was against the men. Do you think they bowed to it? No.

Hon. Mr. ROBERTSON: That was their right.

Hon. Mr. BEAUBIEN: They went on strike, and forced the hands of the Company. The Company was in the position of having either to continue its service or to turn the whole of its assets over to the city. The Company was between the devil and the deep sea.

Hon. Mr. ROBERTSON: So was the Minister.

Hon. Mr. BEAUBIEN: The Minister of Labour was between the deep sea of political disfavour and the temptation of the devil—and he went the way the devil went.

Other examples could be given of the way in which this law has been abused by labour unions and employees. In view of the way in which the Act has been applied, and the way in which it has worked up till now, is it fair to fasten it more stringently and more cruelly upon the back of capital? This law has teeth, big and cruel teeth; and they set very well into capital; but labour runs through them. Labour cannot be touched by the penalty—everybody knows that.

How can you impose a penalty on labour men when there are thousands of them? What employer will make up his mind to arrest a thousand or two thousand men and try to make them pay the penalty? It is absolutely impossible. That clause in the statute is illusory. You cannot make use of it. You know perfectly well that capital is not protected by it. However, I suppose we have to submit to things of that kind nowadays. The statute must at least appear to give some sort of justice both ways, even though in one way it is not operative at all.

But, when you are not obliged to do it, why render the position of capital more difficult? When you know the law is inoperative in one direction, why make it more stringent in the other? It can do no good, and it can do a great deal of harm. For my part, I will vote against this Bill, as I did last year.

Hon. Mr. BELCOURT: May I add just one word more to the discussion which my honourable friend opposite (Hon. W. B. Ross) and I had as to the constitutionality of the Act? I think my honourable friend will agree, when he thinks about the matter for a moment, that we are not depriving anyone of any right. We are not legislating to affect anyone's right as to either hours or wages. This Bill merely provides for an arbitration between employer and employee.

Hon. Mr. ROBERTSON: An investigation.

Hon. Mr. BELCOURT: An investigation. It does not decide anything as to the rights of anybody concerned. Either side may go through the investigation and come out of it with just as great rights in a legal sense as they had when they entered into it. So I do not see how the question of constitutionality can be raised in regard to this Act.

Hon. Mr. BEAUBIEN: If an employer is obliged to maintain wages through this amendment—

Hon. Mr. DANDURAND: No. The Act already obligates him.

Hon. Mr. BEAUBIEN: I beg my honourable friend's pardon. There are no teeth to that obligation. You are putting in the teeth this year. That is the only purpose of the Bill. By this clause, imposing a penalty up to as much as $1,000 a day, the Company is constrained to maintain wages when entitled to reduce them. Does my honourable friend think that after two or three months a company can collect wages unjustly paid to its employees?

Hon. Mr. BELCOURT: There is no difference between that case and one which I will mention. My honourable friend, we will say, is a merchant who thinks I am responsible for any contract I may make. He chooses to trust me with goods; but when the time for payment comes I cannot pay a cent.

Hon. Mr. BEAUBIEN: The difference is this, that the law might constrain me to do it.

Hon. Mr. BELCOURT: The law does not constrain you to do it.

Hon. Mr. BEAUBIEN: With the law as it stands, a reduction of wages could be made without the Company being exposed to a penalty. If this Bill passes, the Company will be liable to pay $1,000 a day; therefore it is kept fast to its contract.

Hon. Mr. DANDURAND: My honourable friend reasons as though corporations were not only soulless, but without honour.

Hon. Mr. BEAUBIEN: I do not understand what you mean.

Hon. Mr. DANDURAND: The Act already says that wages shall not be reduced or hours increased during the course of the investigation. Will the companies, because there is no penalty, violate that law with impunity? I do not think my honourable friend would apply such ethics to companies in which he is an administrator.

Hon. Mr. BEAUBIEN: May I turn the argument against my honourable friend, and say that if he thinks that companies are so respectful of the law that because clause 57 is already in the Act they will never reduce wages while the arbitration is going on why does he come to-day with clause 58 imposing a penalty? He is doubting the companies; I am not. He comes here and says: "We cannot trust the companies; the only thing we can do to keep them in order is to impose a penalty."

Hon. Mr. DANDURAND: My honourable friend knows very well that penal laws are not made for honourable men.

Hon. Mr. MURPHY: You cannot touch them at all.

Hon. WILLIAM ROCHE: Honourable gentlemen, I have listened with a very great deal of interest to the colloquy between the

lawyers, but I think they have narrowed the question down too much. They consider that there are only two parties—the workingmen and the companies. I think there is another party to the matter, and that is the public. The public is interested in the dispute.

Hon. Mr. BELCOURT: The lawyers form part of the public.

Hon. Mr. MURPHY: They live by the public.

Hon. Mr. ROCHE: Suppose there is a dispute between a company and its workmen, and the result of that is that the workmen receive a shilling more of wages—per ton of coal for instance. What does the company do? Does it pay the workmen the extra shilling? No, sir. It charges two shillings to the public. It does not lose anything. But how is the public reimbursed? It pays the money for the article, and never gets it back.

Hon. Mr. BEAUBIEN: Is it possible to pass on an increase of wages on coal?

Hon. Mr. ROCHE: Yes. The price of coal has been advanced 300 per cent in my time.

Hon. Mr. BEAUBIEN: Has not that advance been made jointly with the advance of the price in other countries?

Hon. Mr. ROCHE: When one shilling was advanced to the workmen, two shillings were put on the price of the coal.

Hon. Mr. BEAUBIEN: Has not the price of coal advanced in Canada in proportion to the advance in the United States?

Hon. Mr. ROCHE: Not proportionately.

Hon. W. B. ROSS: Is it not a fact that when a shilling is added to a man's wages, and the company puts two shillings on the price of coal, the dealer who sells to the public puts on four shillings?

Hon. Mr. ROCHE: My honourable friend knows something about coal; perhaps he has been interested in coal. The retailer has to take up all the sins of the other parties; they are fastened upon him, and he is blamed; but the real sinners escape.

Hon. Mr. DANDURAND: I would like to answer in a word my honourable friend who spoke of the dire danger of utility companies paying to employees immense sums which they will never get back. I have been in close contact with some fairly large utility companies, and it has occurred to me that the management of any of those institutions, by looking ahead, could make provision for the time occupied by an arbitration. So, I do not feel that there is any very great danger of these companies paying wages unduly in advance of the time to reduce wages.

Hon. Mr. DANIEL: I would like to ask the honourable gentleman representing the Government whether he has in mind any case which has made it necessary to introduce this clause in this Bill? Can he state whether corporations have acted under the present law in such a way as to make this change necessary?

Hon. Mr. DANDURAND: I do not know whether my honourable friend was in the Chamber when the ex-Minister of Labour gave a concrete case. Perhaps that honourable gentleman would repeat it.

Hon. Mr. ROBERTSON: On July 16, 1921, all the railroad companies in Canada arbitrarily reduced wages, on an average, to the extent of about $13 a month. That reduction affected nearly 200,000 employees. My honourable friend can compute for himself just what that meant to those employees. We submit, inasmuch as this law had been in force for 14 years, and every time an adjustment was made the employees had to await the decision of a Board, that, when the time came to adjust wages downward, the employers also should have respected the law in the way the employees were required to do and had done, and should not make any change until the Board had made its investigation.

Hon Mr. DANIEL: Suppose the recommendation of the Board was in favour of the employees, increasing their wages instead of lowering them, would not the effect be retroactive to the time when proceedings were commenced?

Hon. Mr. ROBERTSON: I can answer that by stating that on October 18, 1923, all the railways in Canada refused to accept an award favourable to a certain branch of their employees, consisting of over 20,000 men, after the employees had made application for a Board, and after an investigation had been made and a unanimous report presented stating certain increases should be granted.

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

DIVORCE BILLS

SECOND READINGS

Bill M2, an Act for the relief of Ella Vear. —Hon. Mr. Sharpe.

Bill N2, an Act for the relief of Anna Welton.—Hon. Mr. Daniel.

Bill O2, an Act for the relief of Marjorie Mahaffy Cox.—Hon. Mr. Todd.

Bill P2, an Act for the relief of Mary Elizabeth Milne.—Hon. W. B. Ross.

Bill Q2, an Act for the relief of Georgina Myrtle Potts.—Hon. W. B. Ross.

Bill R2, an Act for the relief of Guy Barrington Hutchins.—Hon. W. B. Ross.

CRIMINAL CODE BILL (BAIL)

SECOND READING

Hon. R. S. WHITE moved the second reading of Bill Y, an Act to amend the Criminal Code (bail on charges and committals for indictable offences).

He said: Honourable gentlemen, I shall be very brief. Bill Y is intended to make it more difficult to obtain bail for certain criminal offences. In view of the lateness of the hour I simply move the second reading of the Bill.

Hon. Mr. DANDURAND: My honourable friend might explain. I think he can do so within the time at our disposal.

Hon. Mr. WHITE: As a layman I naturally feel somewhat different in dealng with questions of law and I ask the indulgence of honourable members. I do not wish to make any criticisms of the practice as carried on in our courts. My only purpose is to try to assist if possible the administration of justice. I am informed that under the present system, so far as the Province of Quebec is concerned, the duties of the Crown Prosecutor do not usually include any appearance before the Magistrate on application for bail. If the Crown were represented by a Crown Prosecutor in all cases and his duties were enlarged so that he might inquire into the antecedents of the accused, possibly the legislation now proposed might not be necessary; but, as I understand it, the application for bail is made before a Magistrate, and, although the Crown Attorney has to sanction it, he does not necessarily appear before the magistrate, and consequently bail is very often granted. The ends of justice would in my opinion be promoted by making it more difficult to obtain bail in the case of certain charges.

Hon. Mr. DANIEL: What is the amount of bail generally required in those cases to which the honourable gentleman refers?

Hon. Mr. WHITE: There are at present several classes of offences in which bail is not granted, like treason, murder, manslaughter, and offences of that character. The purpose of this Bill is to add to these classes such offences as burglary, housebreaking, and robbery, except that bail may be obtained by application to a higher court. The proposal does not do away entirely with the otaining of bail, but the object is to make it more difficult to obtain bail than it is under the present practice. In the Province of Quebec the courts have been very lenient in this respect. We have in Montreal a class of criminals that perhaps does not exist in other parts of Canada. In the first place, we have a great seaport, with many foreigners coming in. Then we are very near the boundary line of the United States. A great many of the criminals that appear before our courts are not residents of the city, and I think the antecedents of some of these men charged with various offences against the law should be looked into very carefully before bail is granted, because, being non-residents, they are more likely to skip their bail.

Hon. Mr. BELCOURT: May I ask my honourable friend if he has any figures to show the number of accused persons who have failed to appear and have forfeited their bail?

Hon. Mr. WHITE: No, I have no data of that character. As I say, I am not a lawyer and I can only speak on the principle of the Bill. It is said that there are certain people who practically make a business of giving bail.

Hon. Mr. BELCOURT: May I suggest to my honourable friend that he get, if he can, figures of that sort, which would help us in considering this Bill?

Hon. Mr. WHITE: If this Bill goes before a special committee, several persons who would probably appear could give that information in a much better way than I can. I would not attempt to give it. I will move, honourable gentlemen, that this Bill be read a second time and be referred to a special committee.

Hon. Mr. DANDURAND: I understand that the remarks of my honourable friend cover Bill Y and Bill Z. I have not had time to get the necessary data from the court officials in the city of Montreal. The situation which the honourable gentlemen desires to improve is one which has developed in the metropolis of the country. I have observed at times that the bail required was insufficient, but lately the magistrates have asked for much larger bail than heretofore, because when they refused bail and application was made over their heads to a Superior

Court judge, the bail granted was in many instances insufficient.

I do not object to the second reading of this Bill, but I would not like to be bound to the proposition which it contains. I would favour the sending of the Bill to a special comittee, which would send for persons who could give information as to the exact conditions. Referring to the situation in the city of Montreal, I am a little afraid of the shifting of the responsibility for fixing bail from the judges of Sessions to the judges of the Superior Court, who in nine cases out of ten have practiced civil law exclusively and know very little of anything of the criminal side of their profession. Besides, the judges in the Superior Court have not been presiding over the criminal courts. The duty of hearing criminal cases has devolved upon the Court of King's Bench.

I am not certain that the present proposal is the best improvement that could be suggested. I understand that in Ontario and some other provinces there is a Crown Attorney, whose duty it is to look after the granting of bail, and who watches the case from the start. That is not the situation prevailing in the province of Quebec. Perhaps the remedy for the evil that now exists may be found in the recommendation that the Province of Quebec appoint a Crown Attorney to watch over such cases. I know there was considerable dissatisfaction some time ago with regard to the small amount of bail required from the light-fingered gentry. They seemed to have an organization which enabled them to obtain a bond of $1,000 or $2,000 and disappear across the line. Most of those people came from the United States. There was an outcry throughout the community and in the press against the loose way of granting bail to those people instead of keeping them in jail, and on representations from the Attorney General the magistrates became more exacting, fixing larger amounts. In cases of arrest for selling narcotic drugs the bail has sometimes been fixed at $5,000 and in other cases $10,000. The magistrate was disposed to keep the prisoner in jail, without fixing any amount, but that made it possible for the accused to apply to a Superior Court judge and get out on a small bail. Therefore the magistrates lately have been more severe and imposed rather large amounts, knowing that the accused would thus be kept in jail.

My honourable friend speaks of a committee. If he has the names of the members of that committee, I have no objection to the second reading of the Bill.

Hon. Mr. McMEANS: Honourable gentlemen, as this is a matter affecting criminal law, I think the Bill had better be referred to a special committee of the House composed chiefly of lawyers, so that we may send for witnesses and papers and examine into the matter very fully. After the second reading I intend moving that the Bill be referred to a special committee of the House.

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

Hon. Mr. McMEANS: Honourable gentlemen, I beg to move:

That Bill Y be referred to a select committee of this House consisting of the honourable Messrs Barnard, Beaubien, Beique, Belcourt, Bennett, Dandurand, Foster, G. G. (Alma), Griesbach, Girroir, Hardy, Haydon, Lougheed, Pardee, Ross, W. B. (Middleton), Lynch-Staunton, Tanner, White, R. S. (Inkerman), Willoughby, Tessier, and the mover, with full power to send for persons and papers and to examine witnesses under oath.

I may say that I have selected all the lawyers in the House.

Hon. Mr. BELCOURT: Honourable gentlemen, may I make this suggestion, that, as the Attorney Generals throughout Canada are responsible for the administration of justice, they should be communicated with and asked for their views or recommendations in connection with this Bill. That might be done immediately by the Clerk of the House, because it will take some time and we ought to have that information before us when the committee does meet. It seems to me that communication should be addressed immediately to the Attorney Generals of the different provinces. We do not know when the Committee is going to sit. Probably there will bean adjournment of the Senate, and the Committee cannot act at once. If that information is before the Committee when it meets, it will be of considerable use. Will my honourable friend add to the motion the suggestion that the Clerk of the House do forward copies of the Bill now.

Hon. Mr. McMEANS: Yes.

The motion was agreed to.

OPIUM AND NARCOTIC DRUG BILL

SECOND READING

Hon. R. S. WHITE moved the second reading of Bill Z, an Act to amend The Opium and Narcotic Drug Act, 1923, as regards Bail and Certain Charges.

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

Hon. Mr. McMEANS: I beg to move that the Bill be referred to the same Committee, and that the suggestion of the honourable gentleman from Ottawa (Hon. Mr. Belcourt) be adopted in regard to it.

The Hon. the SPEAKER: I do not think that is really necessary.

Hon. Mr. DANDURAND: We may simply ask the Clerk to see that it is done.

The Hon. the SPEAKER: Yes.

The motion of Hon. Mr. McMeans was agreed to.

PRIVATE BILLS

FIRST READINGS

Bill 14, an Act to incorporate the Roman Catholic Episcopal Corporation of Prince Rupert.—Hon. Mr. Côté.

Bill 8, an Act to change the name of The Travellers Life Assurance of Canada to Montreal Life Assurance Company.—Hon. Mr. L'Esperance.

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

THE SENATE

Thursday, May 8, 1924.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill E3, an Act respecting The Interprovincial and James Bay Railway Company.—Hon. Mr. Gordon.

Bill J3, an Act to amend the Act to incorporate the Board of The Presbyterian College, Halifax.—Hon. Mr. Stanfield.

DIVORCE BILLS

FIRST READINGS

Bill F3, an Act for the relief of Nora Pearce.—Hon. Mr. Bennett.

Bill G3, an Act for the relief of Albert Francis Ray.—Hon. W. B. Ross.

Bill H3, an Act for the relief of Irene Mildred Jeffrey.—Hon. Mr. Blain.

Bill I3, an Act for the relief of Florence Mitchell.—Hon. Mr. Green.

COMBINES INVESTIGATION ACT

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What is the number of complaints received by the Government in 1923 and 1924 from each of the provinces in respect to alleged violations of the Combines Investigation Act, 1923?

2. How many of such complaints in each province did the Government cause to be investigated?

3. Were grounds for prosecutions discovered in any of the cases—and if so, in what provinces respectively—and how many in each province?

4. Were there any prosecutions under the said Act, and if so, how many in each province?

Hon. Mr. DANDURAND:

1. No formal complaints in accordance with section 5 of the Combines Investigation Act, 1923, have been received, though various representations and informal complaints have been received from various parts of Canada, all of which have been, or are being, investigated.

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

PRIVATE BILL

SUSPENSION OF RULE

Hon. Mr. GREEN moved:

That Rule No. 119 be suspended in so far as it relates to the (Bill X2), intituled, "An Act respecting The General Animals Insurance Company of Canada."

He said: Honourable gentlemen, the reason that I am asking for a suspension of the rule in connection with this Bill is that it has been before us for some time and, owing to adjournments and other causes, has been delayed. The interested parties are only asking for a change of name and change in the class of policies that they may issue. The Insurance Department is quite satisfied, and, so far as we know, there are no objections. I understand that it is necessary for a Bill of this description to be posted about seven days before the meeting of the Committee. If that is done in this particular case it will mean that the hearing will not take place until after our adjournment.

The motion was agreed to.

SOLDIER SETTLEMENT

MOTION FOR RETURN

Hon. Mr. GILLIS moved:

That an order of the Senate do issue for a Return showing:—

1. The number of settlers under the Soldier Settlement Scheme that have abandoned their farms.

2. The cost to the Government for land and equipment in all cases that have been salvaged.

3. What disposition, if any, was made of the land and equipment; if sold, what percentage of the original cost was realized.

4. Number of casees where foreclosure proceedings were instituted by the Government.

Hon. W. A. GRIESBACH: Honourable gentlemen, before the motion is put, I should like to offer a few observations, in view of the fact that I am now in correspondence on the whole question with the Minister in whose Department it lies.

This policy of soldier settlement was inaugurated in 1919, or 1918, and I found it

more or less in operation when I returned from overseas. I am bound to say that on learning the details of it I could not feel particularly confident of its ultimate success. I found that a larger sum of money was being advanced for these men to go into farming than nine-tenths of the people going into farming in our country ever possessed at the beginning of their operations. I found also that it was possible for men to enter upon this scheme who were more or less unfitted for the undertaking. I could not bring myself to believe that the scheme was soundly conceived or likely to succeed, because of the failure to observe ordinary business precautions or ordinary business dealings. No loan company would lend a man a sufficient sum of money for the purchase of a farm, taking a mortgage on the security so created, and consider its investment safe. It is quite true that the applicant was required to pay down a small sum of money, but this would be eaten up by the first year's interest. There was no margin of security. Similarly it may be said that no bank would lend a man a sum of money for the purchase of stock and implements, taking its security on the stock and implements so purchased, and consider itself safe. It was obvious to me that there must be a considerable amount of loss, because the transaction did not run along the lines which one associates with sound methods.

There was, in addition—perhaps unavoidably so, owing to the conditions under which the scheme was launched—a certain amount of rascality and stupidity. One perhaps should not complain of that now, because the scheme served its purpose at the time in settling down many men who might otherwise have been more or less unsettled. There were two classes of men who obtained these loans: men who were worthy of them, and men who were not worthy at all—men who could not possibly succeed under any possible set of circumstances. There were, of course, a number of others, who might succeed under decent circumstances.

We find now that of the men who embarked upon this scheme there are three classes: those who have succeeded and deserved to succeed: those who deserved to succeed and have not succeeded: and those who under no circumstances could succeed.

The situation has been complicated, so far as we in the West are concerned, by depreciation of the land values and depreciation in the value of the stock. There has been no great depreciation in the value of the implements except by ordinary wear and tear. In certain parts of the country with which I am familiar the depreciation in land values has been from $25 an acre to $15, or about that. In the Grand Prairie country in particular the depreciation has been from about $20 or $25 an acre to between $7 and $10. In the value of stock in that part of the country the depreciation has been from about $150 per cow to something less than $15 per cow. So the soldier settlers in all these three classes, particularly the men who are doing reasonably well, find themselves in a bad way because of the depreciation of the value of what they had.

These lands and stock were purchased when peak prices prevailed, and now the settlers find that the prices have all tumbled down. So I say that, in addition to the fact that the scheme is not a sound one, there has occurred this depreciation in values, and the Government of this country is confronted with a very substantial loss, which fact has been, probably from the best motives in the world, concealed by ministers and officials from the people of Canada. There will undoubtedly be a severe loss in the operation of this scheme, and if it is not too late now, the country must speedily choose the method by which it will assimilate these losses. If the Government allow matters to continue as they are, if they maintain the present values, the loss will take this shape, that the men will give up hope, will feel that they can never make these repayments, can never see the end of the transaction, and they will simply abandon the land. Therefore the Government is confronted with a definite loss. The Government, however, might retrieve the situation to a certain extent, suffering, perhaps the same loss, but endeavouring to maintain upon the land the man who has been placed there at considerable expense to the people of the country; and I think that at this time, or in the very near future, some method should be devised of revaluing these holdings, the loss being frankly admitted. They should be revalued in order that the Government may have authority to approach these men and deal with them in such a way as to give them confidence and courage in the future and induce them to remain upon the land. It is not a very bright prospect, but it does occur to me that, if something were done now with a view to empowering the Government to deal with these men upon a more or less equitable basis, while the country might still sustain the loss, we might in the end induce a large number of these men to remain upon the land until a better time comes.

Therefore I agree with my honourable friend from Saskatchewan (Hon. Mr. Gillis) that there ought to be at once an inquiry to determine just what is the situation, and that legislation ought to be enacted to make provision for the state of affairs existing, so that, though

we cannot avoid the loss, this much at all events will remain, that many of these deserving men will be kept upon the land until a brighter day dawns.

The motion was agreed to.

SHIPPING ACT INQUIRY

MOTION FOR RETURN

Hon. J. D. TAYLOR moved:

That an Order of the Senate do issue for a return giving copy of all correspondence with the Department of Marine respecting an inquiry under the Shipping Act into an alleged casualty to the Canadian Government Merchant Marine steamer Canadian Farmer, together with the evidence taken at said inquiry and the findings.

He said: Honourable gentlemen, the return asked for by the motion standing on the Order Paper in my name will present the opening chapter of a story of what I believe to be organized rascality in the several departments of the Canadian Government Merchant Marine and the Canadian National Railways, particularly in the Province of British Columbia.

I realize that the subject is one that might very well be considered in a place other than this Parliament, and, realizing that, I have been endeavouring for from fifteen to eighteen months past to secure attention on the part of the high officials and of the directors of the Canadian National Railways, and in the course of those efforts I have proceeded as far as the President himself. I am sorry to say that the successes I had in starting what I hoped to be an effective inquiry have been negatived by the direct order of the President of the Canadian National Railways to suspend or cease the investigation.

In February of 1923, shortly after the opening of the Session of this Parliament, I caused the Management of the Canadian National Railways to be informed of the fact that I intended to bring up these rascalities in Parliament unless I could obtain redress sooner. In consequence of that I received this letter, which is the opening of a long though unproductive correspondence. It is dated Ottawa, February 19, 1923, and addressed to me:

Dear Sir,—

This will introduce Mr. Arthur Hesketh of the Investigation Department of the Canadian National Railways.

It has come to the ears of Sir Henry Thornton that you have certain information relative to Canadian Government Merchant Marine affairs in British Columbia, and I would consider it a favour if you would give Mr. Hesketh any information you can on the subject, in order that the matter may be fully investigated.

Yours truly,

H. J. Page,

Chief of the Investigation Department.

Hon. Mr. GRIESBACH.

The gentleman so introduced called upon me, spent several hours with me, and obtained from me details enough to start him on a thorough investigation with the names of a score or more of likely witnesses and full details of what I believed to be the modus operandi of the persons concerned. That was on the 19th of February. I heard nothing more of the matter for several weeks.

On the 15th of March, being then about to return to British Columbia, and having no documents in my possession at Ottawa, I wrote Mr. Page, the head of the investigating department, offering to get him, while I was back in British Columbia, certain documents which I indicated, should the progress of the inquiry justify calling for them; and also telling him in addition to the specific case given:

I have in the meantime a letter from Captain Boyd, dated the 6th of March, stating: "I have learned since that another engineer and Captain worked up a repair job on the insurance and pulled it off. I have been told by the Chief Engineer in question." I give you this statement for what it may be worth in the absence of opportunity of questioning Captain Boyd on the subject.

To that letter I received no reply.

Not having heard anything, I wrote to the Chief of the Investigation Department, asking what he was doing. I have his reply of the 8th of May, in which he says:

I regret any delay that may have occurred in completing this investigation but I assure you that everything possible will be done to have the matter thoroughly investigated, but before this can be done I wish to state that it will be necessary to take the evidence under oath and for this purpose I have at the present time an application laid with the Legal Department for authority to take such evidence to be given to J. M. Bannerman, Superintendent of Investigation at Winnipeg. I am taking this action as I find, owing to pressure of business, that I cannot go to Vancouver personally.

Therefore it is my intention to assign this case to Mr. Bannerman, and this will be done as soon as I obtain the authority for him as above mentioned.

The charges laid in this correspondence are of such a serious character that I find it incumbent upon me to arrange as herein stated. You will therefore readily understand that the matter has not been lost sight of, but will be investigated to the limit.

Yours very truly,

H. J. Page,

Chief of the Investigation Department.

On the 28th of August, being then at home in British Columbia and not having heard of any progress, I wrote to Mr. Page asking whether he had any progress report to make, and stating:

Information given to me officially in the Senate seems to indicate that the frauds and the organization for their concealment is even more far-reaching than I had supposed. Have the officials implicated been successful in stifling the investigation, or is it to be held, and when?

To that letter I received no reply.

On the 24th of September I wrote to Mr. Hungerford, the Vice-President and General Manager, by whom the investigation had been promised in the first place, telling him of my failure to get results, and asking what if any explanation there was. I had no reply from Mr. Hungerford, and on the 25th of October I wrote to him again. In the course of that letter I said:

It is apparent from the answers given to me in the Senate that even the auditors whose report was presented to parliament had concealed from them the accounts and correspondence respecting some of these fraudulent payments and claims; and to effect this concealment there must have been protection from within the head office of your Company.

As it is possible that my former letter did not get to you, I am making this further inquiry as to what if any steps have been taken pursuant to the several promises of inquiry; and I am registering this letter so that its destination may be ascertained.

To that I received a letter from Mr. Hungerford, dated November 5th, acknowledging mine, and saying:

When I received information on the subject in the Spring, I communicated direct with the President, and since your letter was received the files and reports received on the subject have been duly considered by our Vice-President and General Counsel, who advises me that our Executive has decided that no good purpose will be served by further investigations, and that this decision is not arrived at through official influence nor based on any impropriety, but is the simlpe conclusion of business men, based on the report of the Wreck Commissioner for British Columbia and other information which is available to the Executive.

Just to interrupt the thread of the correspondence for the moment it seems to me that it is not compatible with businesslike proceedings that, having promised to me a full investigation it should have been suspended and no communication made to me on the subject. However, that is the reason given by Mr. Hungerford.

Then, on November 16th of last year, I addressed Sir Henry Thornton direct in these words:

Dear Sir Henry:

This is an appeal to Caesar, necessarily addressed to that high quarter because of the disinclination of your subordinates to touch a matter so far-reaching in its implications.

This appeal concerns what I believe to be a conspiracy on the part of officers of the Canadian Government Merchant Marine, ashore and afloat, to obtain by false pretences money from insurance underwriters, for payment for faked repairs to C.G.M.M. vessels, to the end that these unfaithful officers may be in turn rewarded with commissions from those supposed to make the repairs. Also conspiracy to use the vessels of the C.G.M.M. to deliver liquor to ports of call in the United States for the profit of officers on the ships and officers ashore.

I gave to Sir Henry a long history of the case, and 32 questions, the answer to each one of which I believed would be valuable to him as indicating that fraud did exist. I will not bother reading those questions now, but will read the concluding paragraphs of my letter following the 32 questions:

I am satisfied that the answers to these questions if obtained by any investigator competent to extract the truth from unwilling witnesses will show that there has existed at Vancouver a scandalous condition which should be terminated; and that any competent investigator can bring to light sufficient evidence to justify placing on trial the persons implicated in these frauds.

While the request for this inquiry is based on the inference from these many questions involving but one voyage of only one ship, of the score of ships operated by your Company out of Vancouver, I have no reason to suppose that this one voyage and one ship are any exceptions to the prevailing experience. That the frauds have not been exposed and punished is explained by the experience of Capt. Boyd, a lone sailor man standing against the unlimited spending money and influence of a government corporation. Capt. Boyd has not only been dismissed for refusing to be a party to fraud, but also he has been blacklisted with other owners through the machinations of your officers here, and his means of livelihood have been destroyed.

I proceeded to ask him why there should not be an investigation. You will note that it is simply an investigation that I have been asking for.

Here is Sir Henry's letter, dated Montreal, November 28, 1923:

My dear Senator:

I beg to acknowledge receipt of your letter of November 16th in connection with various matters relating to the Canadian Government Merchant Marine service on the Pacific Coast, and Captain Boyd in particular. I will have an investigation made by a representative upon whom I can rely.

I think I should tell you that, when I was at Vancouver last July, I ordered an investigation in regard to Captain Boyd stopped because of the extremely unsatisfactory reports I had received with respect to his character and ability as an officer. These reports were so unquestionable and so distinctly to his disadvantage that it seemed a pity to waste the time of our officers in conducting an investigation with respect to which there could be no foundation. Notwithstanding this, as indicated in the first paragraph I will see that the matter is thoroughly ventilated. It is only fair to say, however, in connection with both Mr. Hungerford and Mr. Page, that these officers are men of the very highest integrity and enjoy the respect of those who have worked with them. Any attitude they have assumed in the matter you may be quite sure is sincere.

Very truly yours,

H. W. Thornton,
President.

Now, with respect to the reference to Captain Boyd, I would point out that my request for investigation was not based upon Captain Boyd at any stage, but was sent forward to Sir Henry Thornton and his associates on my own responsibility as a result of the personal investigation I had made of the matter. It is quite true that Captain Boyd's name was mentioned incidentally, but the application was mine, and not Captain Boyd's.

As to the reference to Captain Boyd's character—a cruel reference, I thought, coming from a man of Sir Henry Thornton's position

—I took that matter up with a view not to establish the main case but to do justice to Captain Boyd. I wrote to Sir Henry as follows:

From my knowledge of Captain Boyd I am of opinion that these reports were dishonestly made to prejudice you against a worthy officer whose sole offence to your Vancouver office was that he could not be induced to participate in the practices which I have reported.

I would call your attention to the fact that these dishonest practices had been brought to the attention of your Mr. Hungerford before I laid before him this information brought to me through the dismissal of Capt. Boyd; so that even any aspersions that may be cast upon this officer do not affect the case for an inquiry into the frauds reported to Mr. Hungerford from quite another source.

In the same letter I asked him to communicate to Captain Boyd any statements made as to the character of that officer so that he might have an opportunity of answering them. Captain Boyd wrote to Sir Henry Thornton on the same date, quoting the reference to himself in my letter, and proceeding:

Sir, I have followed the sea, boy and man, for over forty years, and I have had the respect and the confidence of all under whom I have served, and I have good references from them. My experience with the C.G.M.M. is the only exception; and until I was shown your letter to Senator Taylor I had no idea that there was any imputation from your service against my character or ability. In view of the statement of your letter, I ask that the nature of the charges against me, to which you refer, be communicated to me, so that I may have an opportunity to meet them. You will realize, I suppose, that while these charges remain current and unmet my means of livelihood as a shipmaster remains suspended, and my wife and family suffer with me because of the disrepute into which I am supposed to have fallen.

Sir Henry Thornton, great man as he is, being appealed to by this poor sailor who had been summarily dismissed and disgraced for no fault of his own, no opportunity to defend the charge against him, and no knowledge of any charge, has taken no notice of that sailor's letter to him asking to be confronted with his accusers, and has taken no steps, from that day to this, to make good his statements as to that man's want of character or want of ability, nor has he made any explanation either to Captain Boyd or to me of his failure either to make good or to withdraw his imputation against Captain Boyd.

Not having heard anything again in pursuance of this second request for investigation, on the 28th of January I wrote to Sir Henry Thornton again and asked him what if any progress was being made, and I received this answer:

Montreal, February 5, 1924.

Dear Senator Taylor:

I have your letter of January 28, and regret the delay that has taken place in connection with the case of Captain Boyd. The large number of questions set out in your previous communication of November 16, has involved a great deal of research and investigation, all of which has not as yet been finally completed.

I expect, however, the information will be all compiled in the course of the next few days, and I will then be in a position to communicate further with you on this subject.

Yours faithfully,

H. W. Thornton.

On February 11, Sir Henry Thornton sent to me another letter. I think I had better read it all. There are several significant passages:

Dear Senator Taylor:

Referring to previous correspondence in respect to Captain William J. Boyd, and particularly your letter of November 16, last; enclosed is statement supplying answers to the thirty-two questions asked by you. The information supplied in these answers, I trust, will be found satisfactory.

In the light of the evidence adduced at the Wreck Commissioners Court, held in Vancouver, October 23, 1920—and which Court was held under the instructions of the Honourable the Minister of Marine and Fisheries—as provided for by the Canada Shipping Act,—and the details given in the statement previously referred as enclosed herein, it is my opinion you have been misinformed and mislead by Capt. Boyd, as I cannot see this latter gentleman has any grounds for the charges made.

That is, Captain Boyd has no grounds for the charges that I made, and that I make.

The charges made in respect to our Pacific coast officials, though serious and grave, are absolutely without foundation—

This, mind you, without inquiry—an inquiry twice promised over Sir Henry Thornton's signature—and finally, without inquiry, he writes to me that these charges, both serious and grave, are absolutely without foundation.

—and as you appear to have based your opinions on information supplied by Capt. Boyd, I can only say, it clearly indicates that gentleman is not as conversant with steamship practices and insurance requirements as a Master Mariner should be.

I feel we have, with this letter, supplied all the information we possibly can, that our investigations have been complete, and that we cannot move any further in the matter.

If you are not satisfied with the findings of the Wreck Commissioners Court, and if we have not succeeded in showing that there have been no wrong doings by our officials, Capt. Boyd has the right and privilege of appealing to the Honourable the Minister of Marine and Fisheries for a re-hearing of his case. As you no doubt know, Chapter 113, Sections 805, 806 and 807 of the Canada Shipping Act provides for this.

As to the charge of black-listing made in your letter of November 16, Capt. Boyd has the privilege of bringing suit through the Civil Courts against the individuals concerned.

It is my opinion that the Company has done everything that it may reasonably be called upon to do in this matter, and it is, therefore, for Capt. Boyd to decide whether he desires to further appeal to the Minister under the provisions of the Act.

Yours faithfully,

H. W. Thornton.

I will interrupt the correspondence to tell you what the Company did in the matter. Shortly after Boyd's dismissal I applied on his behalf to the Minister of Marine for an inquiry under the Shipping Act. First of all, I applied to the Marine Superintendent of the Canadian Government Merchant Marine at Montreal, who was the head of the Marine Service, for an inquiry, telling him that I based my request on the fact that I had seen affidavits from an officer and six members of the crew of Captain Boyd's ship to the effect that the log of the ship had been forged in order to manufacture evidence which might reflect upon Captain Boyd. I represented to the Superintendent at Montreal that in view of these sworn affidavits by an officer and six members of the crew he should have an office investigation. Joined with me in that request was Mr. McQuarrie, the member for New Westminster in the House of Commons. Mr. McQuarrie is a King's Counsel, a citizen of good repute, a lawyer of experience. He advised the Marine Superintendent in Montreal that he too had seen the affidavits, and that, having seen them, he thought there should be an office inquiry into the matter. And what do you suppose was the answer? In a spasm of new virtue, following the reputed abolition of patronage, the Marine Superintendent wrote to me and to Mr. McQuarrie that our polite and reasoned request to him was an instance of political interference in the management of the Canadian Government Merchant Marine, and that therefore attention could not be paid to it!

Accepting the snub as gracefully as I could, I next applied to the gentleman to ask if he would join in a request to the Minister of Marine for an inquiry under the Shipping Act. An inquiry under that Act would not have brought out the most important matters in connection with the rascality, but would have laid groundwork for further inquiry. I asked this high official whether he would join in an inquiry under the Shipping Act. He replied that he would not; that the Canadian Government Merchant Marine paid no attention to the provisions of the Shipping Act in this connection, and that they would not be guided by any findings of any court of inquiry held under the Act. Notwithstanding that the Merchant Marine would not join in it, the Minister of Marine took a broader view and was considerate enough to give Captain Boyd the inquiry for which he had asked.

In view of Sir Henry Thornton's challenge to go again to an appeal in connection with the inquiry under the Shipping Act, it is timely to say that when that first inquiry was held his Company so far from joining or collaborating in it, sent their counsel at Vancouver to resist in every possible way the revelations that might have been made at that court of inquiry. The officials and other employees of the Company came there and gave evidence. I was not in the court, but it was described to me by responsible gentlemen who had been there as the most flagrant perjury they ever heard. One of the witnesses, an official of the Company, was warned by the Wreck Commissioner holding the court, in these words, which you will see in the return for which I ask.

You are plainly giving false testimony and concealling something. I warn you.

Men on the ship of which Captain Boyd had been in command were informed that if they came to the court and gave evidence on his behalf they would be dismissed from the ship. An essential witness on Boyd's behalf was sent away on another ship. Another witness, who insisted upon coming notwithstanding the warning that he would be dismissed, was posted as a deserter from that ship, while he was still in the court waiting to be called, many hours before the ship sailed; and when later he presented himself to go on board the ship again, he was told he was a deserter and refused admittance to the ship.

Yet the head of the Company whose officials treated the first reference to a court under the Shipping Act in this tyrannical way now says: "Why don't you have an appeal under the Shipping Act" an appeal in which no doubt they would use all the resisting force of the Company, as they did before?

On the 20th of February, after the receipt of this letter from Sir Henry Thornton, I replied to him in these terms:

Dear Sir:

I have to thank you for your favor of the 11th inst., with answers to my inquiries respecting the insurance frauds of the Vancouver office of the C.G.M.M.

I deeply regret that you have disposed of this matter without the inquiry which you promised me, and which your Mr. Hungerford promised to Senator Robertson. As I understand the situation, you have not had any inquiry, but instead have accepted the perjured testimony and evasive statements of the guilty officials of your Company.

The answers transmitted to me are all dishonest, and many of them are untrue, to my own knowledge.

Having now exhausted all channels of redress within your Company, for the relief of Capt. Boyd from the malicious persecution of your officials whose frauds he has resisted, I must now appeal to a higher court, before which I hope you will be prepared to appear, to show the basis upon which you rest your attack upon the character and the livelihood of a deserving citizen.

To that I received this answer:

Dear Sir:

Referring to your letter of February 20th. I am utterly unable to understand the statement contained in the second paragraph. On November 28th, 1923 I said to

you that I would have an investigation made by a representative in whom I could rely. This was done and, furthermore, the whole case was reviewed by our Vice-President in charge of legal affairs.

I want to nail that right there. "This was done;" that is, the investigation was made. How could there be an investigation of my complaint without reference to me? or of Boyd's complaint withour reference to Boyd? There was no reference either to me or to Boyd in connection with this alleged investigation; therefore I think I am correct in stating, as I stated to Sir Henry Thornton, that he had had no investigation within the proper meaning of that term.

Your statement that the perjured testimony and evasive statements of guilty officers has been accepted is entirely without foundation.

Now, here is a significant paragraph, in view of the pretence in former correspondence that these complaints rested solely on the character or want of character, of Captain Boyd. Listen to this:

There has been so much accusation, recrimination and general turmoil on the Pacific Coast in which every officer in the service from top to bottom has been accused of every conceivable crime that I am getting heartily sick of such a condition and I have, therefore, nominated Mr. R. H. M. Temple, our Regional Counsel at Winnipeg to proceed to the Coast and undertake an investigation as soon as possible. In preparation for this, due notice will be made through the press and those who have charges to prefer or complaints to make will be asked to communicate them to Mr. Temple. It is perhaps unnecessary for me to say that the officer I have selected to conduct this investigation is an able lawyer of irreproachable reputation, in no way connected with any of our officers on the Pacific Coast and without knowledge of the previous state of affairs.

When this investigation is over we will certainly dismiss from the service anyone who is found guilty of acts which affect their usefulness, and I am also going to discharge anyone caught making malicious charges.

Yours faithfully,

H. W. Thornton,
President.

That was on the 26th of February. Parliament was to meet on the 28th, and naturally I was desirous of seeing this investigation at least started. Having heard nothing further of it, and not having seen any notice in the press, as promised, and not having learned from any of the interested parties that they had received any warning to be ready for it, I wired Mr. Temple on the 13th of March stating:

Sir Henry Thornton notified me on February 26 that you were about to proceed to Coast to hold investigation into affairs which I have brought to his attention. It is essential that I shall be present during this investigation if it is to deal with questions I have raised. I must leave for Ottawa on twenty-seventh for meeting of Senate after present recess, and therefore this is to request that you will kindly notify me on receipt of this as to date when you will be at Coast.

On the 14th Mr. Temple answered:

Hon. Mr. TAYLOR.

Replying your telegram thirteenth will endeavour to be at coast prior to twenty-seventh instant.

That is the very day I told him I wanted to leave for Ottawa.

To date have received no complaints.

R. S. M. Temple.

Here is an investigator promised as about to make a thorough investigation, sitting tight in his office at Winnipeg for three weeks after the promise has been made, with no notice to anyone that he proposes coming and making the investigation, and resting on the fact that, as he says, "To date have received no complaints."

I wired Temple on the 14th of March:

Thornton's promise of inquiry by you was in reply to my notice of intention to have parliamentary investigation which extent of rascalities justifies. If I am to present case at Vancouver instead of at Ottawa I must have opportunity of hearing and dealing with any statements in explanation or defence and this will take several days. You wire "to date have received no complaints." No public notice has been given that you are ready to receive complaints and I had no reason to think that you expected anything to be forwarded to Winnipeg.

In answer to that he wired me that he was leaving for New Westminster next day. The result was that the investigation was started on the 27th, the very day that I was due to leave for Ottawa. Now, while no public notice was given of the arrival of this gentleman, it is significant that the first visitor he had was the Chairman of the Patronage Committee of the Dominion Government at Vancouver, who evidently had been informed of the approach of this investigator and was ready for him; and the subject of their communication was—what do you suppose? The investigator told me the first day of his arrival—

Hon. Mr. DANDURAND: What date?

Hon. Mr. TAYLOR: He arrived at Vancouver about the 23rd of March. He started his investigation on the 27th. On the day of his arrival he attended in my office. One of his first observations was: "I met to-day a Mr. Macdonald. He informed me that he had been offered the case of Captain Boyd before the Wreck Commissioner and had declined to take it because of its doubtful character."

Hon. Mr. MURPHY: That is the ex-Attorney General?

Hon. Mr. TAYLOR: That is the ex-Attorney General of British Columbia, M. A. Macdonald, the reigning Liberal politician, head of the Patronage Committee in Vancouver. He knew all about the arrival of Mr. Temple to investigate. Nobody else, so far as I know, had any knowledge of this gentleman's ap-

proach, and the first communication received by him was a communication to blast the character of Captain Boyd. Yet this investigator was content to receive an impression of that kind.

I formed the impression from presenting evidence to Mr. Temple before he started his formal inquiry—I happened to have two witnesses present and had them talk to him—that he resisted every suggestion of their testimony and was full of excuses, and I could not help realizing the foly of sending for an independent, unbiased investigation one of the Regional Counsel of the Canadian National Railways, when his own chief, Mr. Ruel, had advised against having any investigation whatever and had pronounced in advance that there was no foundation for it; and not only had his own chief been so advised, but his associate at Vancouver had been actively engaged in resisting the former investigation, and, as I was informed—I do not know this of my own knowledge, as I know these other facts of my own knowledge—at this very moment he was coaching witnesses to present evidence to Temple whenever Temple started his investigation.

However, that has gone on for a month. When I was home the week before last I asked Mr. Temple for an appointment to discuss with him the progress of the inquiry which he had been carrying on at my instance for a month, and in which I was supposed to participate. He assured me that he was so very busy that he could not find any time whatever to make a date to see me and discuss it with me. I asked him where he would be that evening—because I do not mind working late at night. He told me he had a dinner party for that evening. I had to reply: far be it from me to suggest that the matter which had brought him to Vancouver should stand in the way of a dinner party. I suggested to him that it would be unfortunate if I had to come back to Ottawa and report that this investigator had no time to talk with the man at whose instance he was holding the investigation. He thereupon made a lunch appointment for me for the next day; and I must say that he is a nice gentleman to meet, and we had a very pleasant lunch. But, unfortunately, he had invited a stranger to be present at the lunch with us, and I could not very well go seriously into the matter that was in my mind, in the presence of that stranger.

That is the history. I am sorry I have taken so long to give the history of the correspondence. I will summarize briefly now the nature of the trouble and the nature of the evidence. I may say that I have statutory declarations establishing the evidence under each of these points. I will not bother to read those now, but will summarize them as briefly as may be.

Hon. Mr. DANDURAND: Has the honourable gentleman handed copies of those affidavits to Mr. Temple?

Hon. Mr. TAYLOR: Oh, yes. Mr. Temple has them all. I also handed Mr. Temple a brief under each heading of the inquiry, giving my impression of it. I have given him all the assistance in my power and all the information I could gather up for him. I have given it all in writing.

The story, in brief, is this. Captain Boyd was appointed direct from Montreal to the command of the Canadian Government steamship Farmer, a freighter, trading between Ocean Falls and San Francisco and San Pedro, and carrying cargoes of paper and general ocean freight. In 1921, when passing through Montreal on his way home from four years' service as a ship-master during the war, Captain Boyd had made arrangements for his appointment. He had called on Mr. Tedford, in Montreal, and secured the promise of the appointment. The promise was kept 12 or 13 months later. On taking up the appointment he found that the man given to him as mate had expected the ship, and did not take gracefully the fact that he was superseded. Captain Boyd found from the beginning an air of antagonism to him about the ship—embarrassing because of the fact that on these ships the crews are hired and virtually discharged by the mate, the captain being alone on the ship. Indeed, he is supposed to hold aloof, and must, from the fact that he has no authority to hire or discharge, and that the crew depend on the mate for favours. The captain found he had no support from the mate, and reported to Montreal and suggested that the mate be transferred. Later he became aware of the fact that boot-leg whiskey was run on his ship—the ship had been searched on suspicion at Ocean Falls, and also at San Francisco. While nothing was found, he believed that there were good prospects of it being found, and he reported this to Montreal, without saying who was doing the bootlegging—one could read between the lines—and asked the Company to place on the ship an officer of their Investigation Department so as to run down this bootlegging. He offered if necessary to pay the expenses of that officer, because he said he was very desirous of putting to an end this menace to the safety of his ship. The ship was liable to be seized.

To his complaint against that officer he received no answer whatever from the head office at Montreal. He also reported other cases—one of inciting to insubordination, and one of absence without leave. He got no answer to any of these communications.

On the 18th of June, 1921, at midnight, the ship struck something in Porlier Pass, between Nanaimo and Victoria. What it was they did not know. That is what the Wreck Commissioner's inquiry set out to discover. Anyhow, the ship struck something, and they stopped and sounded, and found she was making no water, and went on their way. Four days later, at Ocean Falls, she was inspected and given a certificate of seaworthiness and proceeded on her way. She continued for two months in the trade in which she had been engaged. Then she went into dock at Prince Rupert for the annual overhaul. In the dock at Prince Rupert they found a mark on the keel-plate, 14 feet from the stern post—a dent between two frames, such as might be made by striking a log or any object of that kind. There was no damage to the plate, except the mark upon it; no paint off; no rivets started and no water making. So far as that impact was concerned, she might have been launched the next minute. She went through her annual overhaul, being in dock eight days, and went on her way back to Ocean Falls. At Ocean Falls the Captain got word to report at the Vancouver office. He did so, and there learned to his astonishment that he was dismissed. The news came to him like a bolt from the blue. He wanted to know why. The Vancouver office would not tell him. They said: "A letter will arrive tomorrow telling you." The letter came, and said he was dismissed because of "the various accidents" to his ship.

Now, while he had had a few minor accidents during the first few months of his career, it happened, as the insurance records show, that no claim for damage had been made in all the months of 1922 up to the time of this accident of the 18th of June. That was the sole accident of that year; yet he was dismissed because of "the various accidents to your ship."

Captain Boyd came to me with the letter, asking what, if anything he could do about it. He lived in the outskirts of New Westminster, where I lived—that is my connection with him; he was one of my electors when I had electors. He showed me at the same time an "extension of protest" that had been handed to him to sign at the moment he left to report at Vancouver. There was a letter which asked him to sign this, and he had signed it without reading it. It was a document of about five pages. When he had read it he found that it recited an array of disturbing experiences on the ship immediately following the impact of the 18th of June—the steam steering gear started to cut up and work with unusual rapidity; the hand steering gear had been found broken; the condenser had been found choked; the thrusts of the engine had been disturbed by the pressure put upon them, and the machinery was labouring. There was a whole series of injuries like that recorded as extracts from his log. He showed them to me and told me that none of these things had really happened. Of course, I came to the conclusion that the reporting of all these things to Montreal had been the cause of this man's dismissal.

Examining these entries, I soon recognized that at least two of them could not be in the log, because they were impossible: they had been carelessly put into this document without any idea that anyone would examine them as to their reasonableness. I suggested to Captain Boyd that he could lay a complaint of forgery of his log, entries being put into it after he had signed it. He did that, and made that part of the basis of his application for a court of inquiry.

When we got to the court we found that the main entries which were alleged to be forged appeared in the log in different ink from that used in making the other entries. We found that the entries as to the damage to the machinery continued in the log for the same number of days that they had been kept in the extension of protest, and that for fifty days after that, while the ship remained at sea, there was no record whatever of anything wrong with the steering gear or the machinery. We found that the specifications for the repairs at Prince Rupert indicated not simply a dent of one plate—which did not have to be touched at all—but that that plate was badly set up—that is, badly twisted out of shape—for five or six frames, twelve to fifteen feet; and that the floors and frames inside were represented as being set up also. Two other plates were represented in these specifications as badly set up for a similar distance, one at the bow of the boat, and the other alongside the main plate at the stern.

Upon investigation we found from the workmen employed in the dock that no repairs whatever of the kind indicated in these specifications had been made; that the only thing wrong which had been found was this dent, which could have been pulled out with a jack and the application of a little heat, but which it was not necessary to touch. All the rest of the supposed repairs were fakes. Notwith-

standing that, we had a survey of three supposedly reputable officers—the owners' representative, the insurance representative, and the Dominion Inspection representative—the official titles I forgot—each of whom certified to the existence of all these damages, and at a later date certified that all these repairs had been made according to the specifications. On the contrary, no repairs whatever were made except an ordinary overhaul. That is one classification of the fraud.

Next, we turned towards finding the reason why this job should be put upon Boyd, and why he should be dismissed. For this we turned to the whiskey. We found a watchman who swore—I have his affidavit here—that he had been employed as a watchman for 23 months on the Canadian Government Merchant Marine on each ship in turn as she came into Vancouver; and that on each ship bound for American ports during those 23 months a large consignment of bootlegging whiskey had been loaded immediately prior to the ship sailing; that these consignments ran from 20 to 100 cases at a time; that in one instance, on a consignment of 100 cases about to go on board, the sales agent had come down and asked him as watchman to report next day the safe arrival of the 100 cases of contraband whiskey, "because," he said, "I cannot be around here when it comes on." The watchman swears that he attended at that office the next day, and told the sales agent that it had arrived and was safely stowed. He then entered into a general conversation, in the course of which the sales agent spoke about the satisfactory business they were having with the Canadian Government Merchant Marine, and told about some trouble that they were having with the Canadian Farmer. "The Captain is an old fogy: we can't do anything with him; he is interfering with the transactions of his mate; he is going to be fired." The captain was indeed fired a few weeks afterwards; and the watchman, a short time after that, was fired by his immediate boss, who said he was instructed by the Pacific Coast manager to discharge him because he talked too much about the whiskey.

Hon. Mr. MURPHY: Was the mate put in charge?

Hon. Mr. TAYLOR: Yes. When Captain Boyd was fired they promoted to the command of that vessel the man who had been reported for bootlegging, for insubordination, for inciting the crew to insubordination, and for absence without leave.

A few months after that, according to this watchman's sworn statement, this new captain personally conducted on board, between 4 and 5 o'clock in the morning, 20 cases of whiskey. In the forenoon of the same day the Customs, having had some information on the subject, inquired of an exporting house as to the putting on of this whiskey. It was found that an export order had been taken for 5 cases of whiskey 4 or 5 days before. The Customs officials asked what had been done with that, and were told that it had not been sent down at the time because the ship had been delayed for 4 days, and that they had been told not to send it until the ship was sailing, but that it had just now gone down. When the Customs officer got to the wharf there were 5 cases already on the wharf. I have a statement not included in the sworn statement, but given to me after I had this Customs report, that 5 cases were taken off the ship by two sailors, and that it was the 5 cases so taken off that were found by the Customs officer after they had taken up the question with the exporting house.

Captain Boyd was not believed; he was fired. But what happened to this man caught bootlegging? Was he fired? No, he was taken off the ship for one voyage and was restored to it when she came back, notwithstanding the fact that in the meantime he had had more accidents with his ship and that the company had had to pay for more real damage than had occurred during Captain Boyd's whole career. Since that time this other captain has put his ship on the rocks, and now he is laid off, although I am told he is about to be taken on again. That is the way in which the standard of the service is improved.

During the course of the investigation this further branch came up. You may say: "How can these things go on without the people on the wharf and all about knowing it? And why don't they give information?" Here is the explanation. The people on the wharf have their own little line of graft. I have statements—not affidavits, because they were referred to Mr. Temple, who should have the evidence by now, of seemingly reliable witnesses who were employed as labourers on that wharf. They were under the charge of a man who was named the constable; but this constable regularly pilfered from the wharf in wholesale quantities, so much so that he brought down an automobile to take away his loot; that one of those labourers was employed in building this constable's house, and was paid by the Canadian Government Merchant Marine for the time that

he was so employed; that the lumber used in the house was stolen from the Government wharf and was conveyed to this house on Government trucks; that the paint was stolen from the wharf, and that inside this man's house there was a large collection of the wares—such as canned provisions and liquor —that are dealt with on the Government wharf. We have those statements from 3 witnesses that I know. That constable is still on his job. The watchman has been dismissed; the wharf labourer has been dismissed; the captain has been dismissed; and the people who give information as to frauds are dismissed; but the culprits are on the job.

Just yesterday a gentleman who heard that I was interested in this matter presented to me this file.

Hon. Mr. PLANTA: Before you leave that first file, did you say there was some insurance collected on that?

Hon. Mr. TAYLOR: Yes. In answer to the question, I would say that in writing to the office in Montreal I suggested that surely the Government of Canada were not going to be parties to collecting insurance under false pretences from insurance companies for damages which the ship had not suffered. They did not seem to rise to that suggestion at all; it appeared to make no impression. Last year I inquired as to the matter in the Senate when the insurance report was brought down. I asked for details, and found in them nothing to indicate that any insurance had been collected. The accident having happened in June, and the repairs made in August, by the end of the year something should have been collected. It looked as if I had been misled by somebody in regard to the story. I put an inquiry on the Order Paper, and after getting the details of insurance for all the vessels, and finding nothing to correspond with my information, I asked specifically what was the bill for repairing the Canadian Farmer at the Prince Rupert Dock in August 1922; how much of that bill had been charged to the insurance company, and how much had been paid by the insurance company, and, if anything had been charged or paid, why it was not in the accounts for last year. I got the answer that the bill was $8,500, that the whole of it had been charged to the insurance company, that the whole of it had been paid by the insurance company, and that the reason it was not included in the statement of account for 1922 was that at the close of the accounts on the 31st December they had not the information as to what the damages were, or what the insurance was.

Of course, I knew that was not true, because the dock company was in liquidation, and desperately in need of money, and they would press their bill with the greatest alacrity. But, apart from that, I had in my possession, at that very time, an official report from that company to the Registrar of Shipping, dated the 16th of October, 1922, and setting out the amount of the damages to the ship from the accident of the 18th of June. The official report was made on the 16th of October, and yet the answer to this Parliament, many months later, was that on the 31st of December they did not know what the bill was!

Now, I have another instance, and this is the last, of dismissals from the service of the Canadian Government Railways, not the Merchant Marine.

Hon. Sir JAMES LOUGHEED: You were going to deal with a file that was sent you yesterday; what about that?

Hon. Mr. TAYLOR: This is the one. Everything I have said so far has related to the Merchant Marine which is under the same roof in Vancouver as the National Railways. This file refers to the Canadian Railways. It does not depend on Captain Boyd at all; it does not depend on Senator Taylor at all. I knew nothing about this until yesterday. It originated in this letter—

Hon. Mr. DANDURAND: Does it bear on the Canadian Farmer—on the motion of my honourable friend?

Hon. Mr. TAYLOR: Yes, it bears on the motion. All this bears on the motion; it is only the first chapter of a long series. This is a letter from Mr. H. T. Page Chief of the Investigation Department, to Mr. J. D. Watson, District Special Agent of the Canadian National Railways, Vancouver. It is dated Ottawa, February 1st, 1923, just about the time when I started the inquiry with which I have just dealt. It says:

Dear Sir:

There is a Mr. D. Thomas in Vancouver—

—I may say I do not know anything personal about this at all; my information about what I am going to say now is based on this file, and I have no personal information as to the rest of my story. This is the letter:

Dear Sir:

There is a Mr. D. Thomas in Vancouver who has been into communication with Sir Henry Thornton re certain complaints and I want you to call on him and tell him that you have been instructed by Sir Henry Thornton to interview him, and that everything he has to say will be held in the strictest confidence.

Take careful note of what he has to say and if the complaints he makes warrant an investigation, I want you to spare no pains to get the facts of the matter, and do this as quickly as possible.

As soon as you have had your interview with him, I would like you to report to me of what his complaints consist of, but go right ahead with your investigation and report to me direct at Ottawa.

Yours truly,

H. J. Page,
Chief of Investigation.

Now, in perusing that you will see that this man was not volunteering information. He was in a different category; he was instructed by his chief to go and get it, and he did so, and reported back to this effect. This is necessarily scrappy, because I have just taken the headings out of these many pages. He reported the names of several employees who had been dismissed for giving information as to the irregularities, and these will come up one by one a little later. Then he reported that Johnson and Whyte, freight solicitors for the Canadian National Railway, Vancouver, had complained of people refusing to do business as long as Labrie was in charge of the purchasing, and they produced reports to this effect that had been made to the office. He reported that Horn, the General Freight Agent, had taken up the matter frequently, but without results. He made this comment of his own:

Those of our employees who are aware of the details cannot have confidence or any respect for their superiors who are looked upon to set a better example.

There is next a paragraph that I would like to show to honourable gentlemen interested, but I will pass that over for the present.

This investigator, reporting by order, and addressing himself directly to his chief, says under date of June 27, 1923:

Everything possible has been done by Mr. Labrie to offset this investigation by making promises to Lumbermen that he will see them all right for Canadian National Railways business providing they gave him letters to the effect that he is up and above board and which letters he has been able to obtain, the Lumbermen stating that it is a case of dollars and cents with them.

The position he has placed himself and the Company in is that should he be allowed to remain here the Canadian National Railways will be at the mercy of these men, who he has made promises to.

He stands in the same position with some of his Staff that should he remain he and the Company are at their mercy and the employees both inside and outside of this Department, who have made truthful statements will be subjected to treatment not due them, while the Investigation Department will be nothing but an absolute farce.

The treatment already meted out to McLauchlin, Timber Inspector, is of a very serious nature from the fact that Labrie has intimated he and others through threats and promises and because McLauchlin has not met with his wishes he has been made to suffer unbelievable grief and worry through the fact that he is a man well up in years and has just recently got out of bed after being ill, and his wife is naturally very much distressed at such a state of affairs.

Hon. Mr. DANDURAND: Will the honourable gentleman pardon me? I was interrupted while the honourable gentleman was speaking of the doings—bootlegging, etc.—on steamers; of Captain Boyd being dismissed, and of the dealings with the insurance business; and now I find him discussing Canadian National Railways. It was just at that moment that I was prevented from following my learned friend. Would he explain to me?

Hon. Mr. TAYLOR: I will say, for the information of the honourable gentleman, that the Canadian National Railways are under the same roof at Vancouver as the Canadian Merchant Marine, and they are very intimately connected, as they are all in the one office. This is a report of which I have no personal knowledge, but it was given to me yesterday as a series of complaints made to Sir Henry Thornton by the Chief of his Investigating Department at Vancouver.

Hon. Mr. PARDEE: Who is that?

Hon. Mr. TAYLOR: Mr. Watson.

Hon. Mr. DANDURAND: But not bearing on the statements and representations made by the honourable gentleman of which he spoke in the first part of his speech?

Hon. Mr. TAYLOR: Well, bearing on them in this way, that I made a general statement of organized rascality in all departments, and this is one of the departments. My statement covers them all.

Hon. Mr. BELCOURT: Is that with regard to insurance?

Hon. Sir JAMES LOUGHEED: No, no.

Hon. Mr. DANDURAND: I have no objection to my honourable friend continuing, and even expanding beyond his motion; but as he has given a notice bearing on certain matters, could he not restrict his statements to those facts, and bring up any further representation on some other matter, in order that we could have a complete statement of one matter? His notice does not cover the matter to which he is now referring. It seems to me that my honourable friend will have somewhat of an involved statement if he does not limit his remarks to the matter of his motion.

Hon. Sir JAMES LOUGHEED: Pardon me for interrupting, but entirely apart from the distinction to be drawn between the two, the statement now being made by the honourable gentleman from Westminster is corroborative and confirmatory of the charges that have been made as against Captain Boyd. Apparently the chief officers of the road have taken the ground that the charges made by

Captain Boyd have not been proved, and the statements are not to be relied upon; but here is evidence from the officers of the road themselves as to the irregularities which are going on there in connection with the Canadian National Railway system, of which this is a branch.

Hon. Mr. DANDURAND: But on some other matter.

Hon. Sir JAMES LOUGHEED: But it is confirmatory of the irregularities on the system.

Hon. Mr. DANDURAND: Yes, but my difficulty is this. An inquiry is going on just now by Mr. Temple in Vancouver.

Hon. Sir JAMES LOUGHEED: We do not know.

Hon. Mr. DANDURAND: Well, my honourable friend will state so.

Hon. Sir JAMES LOUGHEED: I do not think he will designate it as an inquiry.

Hon. Mr. DANDURAND: An inquiry or investigation. I leave my honourable friend to say which,—but if it bears on that matter which is being investigated in some way or other by Mr. Temple, it will reach Mr. Temple, and if the brief of my honourable friend which he handed him is not as complete as his statement, it will be of so much advantage for the information of Mr. Temple. But my honourable friend branches off into some other matters which Mr. Temple is not investigating just now, and which is not covered by his notice of motion. He could proceed by another notice of motion to disclose some other matters in connection with the Canadian National Railways.

Hon. Mr. TAYLOR: If the leader of the House has a point of order in his mind, I think I am quite in order.

Hon. Mr. DANDURAND: I am not raising a point of order, though I think I could.

Hon. Mr. TAYLOR: I would be quite prepared to meet a point of order if it were raised, because I think this matter is quite in order, and is covered by my motion. But as to Mr. Temple, I may say that he is at this moment engaged in hearing—I do not want to say investigating—something about this very file which I hold in my hand. He told me when I was there that he was through with Boyd and was now investigating the Watson case. I did not know what the Watson case was.

Hon. Mr. DANDURAND: Is this the Watson case?

Hon. Sir JAMES LOUGHEED.

Hon. Mr. TAYLOR: This is the Watson case. I will be brief with this. I do not know Labrie at all, or any of these people. He was the purchasing agent.

Hon. Sir JAMES LOUGHEED: Was, or is?

Hon. Mr. TAYLOR: He is still the purchasing agent, so far as I know. Watson's finding with respect to him is that the evidence shows that when he bought lumber direct from mill operatives he exacted a commission from them of so much a thousand —$1 a thousand is mentioned, and 50 cents per thousand—and that he insisted on having it in cash, wisely refusing to take cheques; that his general practice was not to buy direct, but through lumber brokers; that the lumber brokers pay the mills commonly higher prices than the mills would charge direct to Labrie; that the common report of timber inspectors, particularly of Inspector McLauchlin, who has been dismissed for making it, is that when a certain grade of lumber is ordered from the lumber broker—from two firms particularly—those lumber brokers pass on to the mills that order in the name of a lower grade, the price of that lower grade being from $5 to $8 per thousand less than the price of the grade for which the lumber brokers are paid. Watson's suggestion, established by a mass of evidence in this file, is that the loss to the country is from $5 to $8 per thousand on all the lumber purchased for Canadian National Railway purposes in British Columbia.

Hon. Mr. BELCOURT: What is Labrie's position?

Hon. Mr. TAYLOR: Labrie is, or was, purchasing agent.

Hon. Mr. DANDURAND: How long has that been going on?

Hon. Mr. TAYLOR: I do not know how long these frauds have been going on, but they have continued since long before government ownership. I could not say off-hand just how far these particular transactions have gone. An investigation was started last year. Watson found, with respect to a certain railway section of Vancouver Island, that the engineer in charge of that reported to headquarters at Vancouver asking permission to accept a local offer for a logging right-of-way, the logs to be taken care of without cost to the Company, and the Company to get some revenue for hauling them to their destination on the seaboard. But this was refused at the instance of Labrie, who said it was his perquisite to handle this, and Labrie made a contract with persons named, under

which he paid them $58,000 for the service which others had undertaken with this District Engineer to do for nothing. And how the engineer comes to complain of that is that shortly afterwards he was dismissed because of the extravagant cost of the operations on his line. This engineer has for nearly two years been demanding an investigation, just as I have been demanding one in the case of Boyd, and he has been unable to get it.

There is the same complaint from Mr. McLaughlin, Timber Inspector, that he has been unjustly dismissed for reporting frauds, and has applied in vain for an investigation.

That indicates the nature of this file, which is corroborative of the general statements I have made about the Canadian Government Merchant Marine.

Hon. Mr. DANDURAND: Will the honourable gentleman state what file? What kind of file is it? Is it an official file that has been brought down here?

Hon. Mr. TAYLOR: Oh, no; it is not an official file. I do not know the origin of this file which is in my hands.

Hon. Mr. DANDURAND: But has it any sign of authenticity?

Hon. Mr. TAYLOR: I received it from a reputable member of Parliament, who told me where he got it, and I have no reason to doubt it. It can be very easily confirmed, because Sir Henry Thornton knows whether or not he has the correspondence indicated here.

Hon. Mr. DANDURAND: That would be a copy of what is in the Canadian National Railways offices?

Hon. Mr. TAYLOR: Yes. There are no original signatures on this. These are all copies.

Hon. Sir JAMES LOUGHEED: And the report of Watson, head of the Investigation Department.

Hon. Mr. TAYLOR: Copies of his letters. I have no reason to doubt the authenticity of the file at all.

Hon. Mr. DANDURAND: Is this a file bearing on the investigation carried on by a gentleman by the name of Watson?

Hon. Mr. TAYLOR: Yes.

Hon. Sir JAMES LOUGHEED: This is the foundation of his report.

Hon. Mr. DANDURAND: What is the date of that document?

Hon. Mr. TAYLOR: The date of the instructions to Watson is "Ottawa, February 1, 1923." The date of his main report is, "Vancouver, June 27th, 1923."

Hon. Mr. BELCOURT: What are his initials?

Hon. Mr. TAYLOR: J. D. Watson.

Hon. Mr. DANDURAND: By whom was he instructed to carry on that investigation?

Hon. Mr. TAYLOR: He was instructed by H. J. Page, Chief of investigation, the same man who gave the instructions in the case I first mentioned.

Now, this man Watson, immediately upon the presentation of this report, was dismissed, just like all the other people who find out anything.

Hon. Mr. TANNER: He got the axe.

Hon. Mr. TAYLOR He was dismissed. He came down to Ottawa, as I am informed, with a letter to the present Minister of Railways, introducing him as a reliable man whose statements might be accepted. Instead of going to the Minister of Railways he went on to Montreal, to the Canadian National headquarters. When he finished there he did not have to see the Minister of Railways, because he was restored to the service and went back on duty in Vancouver. I supposed he was still there, but, on reflection, I realize that his name does not appear in connection with the other investigation, and it has been suggested to me that he has since left the Service again. I am unable to say whether Watson is in the Service at present or not, but he was there, and he was dismissed for making this report, and was taken back after this dismissal when he bearded the lion at headquarters.

All the persons against whom he reported have been continuously on the job, notwithstanding his reports of graft, extortion, drunkenness, misconduct in every form. I would not read—I could not read to this House—some of the evidence in this file. You would not want it to appear in the records of our House. Every man reported for misconduct by anyone whom I have quoted remains in the Service. The good men like Boyd are summarily dismissed. A good man like Lewis, the Vancouver Island engineer, on whom this $58,000 job was put up, is dismissed, against the protestations of his chief, who says he never had a more capable or more honest engineer. And these men who are guilty of this rascality are quoted through this and the other files as openly boasting that they have a pull which cannot be overcome.

There is the condition under which the Canadian National Railways and the Canadian Government Merchant Marine services are being carried on in British Columbia. We discussed here the other day at considerable length the question whether or not we were justified in paying $31,000 a year for the administration of justice in the whole district of the Yukon, to maintain the dignity and the good name of Canada in that remote section, where the people mainly interested are foreigners, before whom it is absolutely essential to maintain that dignity. We balk at $31,000 for that purpose and suggest trimming it by 5 or 10 per cent. Are we to accept stories like this, of wholesale graft, of items—no doubt, infinitely repeated—like that $58,000 in a logging contract on the Island of Vancouver, and do nothing at all about them? If not, what are we to do? I have brought this Canadian National matter before, I think, five of the members of the Canadian National Railway Board. I cannot obtain any results from them.

Hon. Mr. BLAIN: Including the Presilent?

Hon. Mr. TAYLOR: Yes, including the President. The President is the "main squeeze" in it. The President has personally ordered the discontinuance of the investigation in which his investigation department was engaged.

Hon. Mr. DANDURAND: He has ordered what?

Hon. Mr. TAYLOR: The discontinuance. He says so in his letter—says that he has ordered it because of Boyd's bad character. The General Manager for the Pacific Coast was asked on the stand the other day: "Do you know anything to the detriment of Captain Boyd's character?" He said: "I know nothing. My relations with Captain Boyd have always been most pleasant." Yet someone allows the President of that road to stigmatize that sailor as a scoundrel, unworthy of belief, in order to protect the real scoundrels with whose operations he has interfered. It seems to me preposterous that conditions of that kind should exist and Parliament should sit silent in the face of them.

Hon. Mr. PARDEE: Who was the agent in charge of the steamships at the time this took place in Vancouver?

Hon. Mr. TAYLOR: The same person as now. He has been promoted since this took place. His name is Mr. B. C. Keeley. He is an American citizen, I believe.

Hon. Mr. PARDEE: Who was before him?

Hon. Mr. TAYLOR: Mr. B. C. Keeley has bene there ever since we have had the steamships. He is an American gentleman, who did not even do us the compliment of becoming naturalized. He is not yet on the voters' list of the Province of British Columbia.

Hon. Mr. PARDEE: He has not always been the agent for the steamships, has he?

Hon. Mr. TAYLOR: Yes, he is General Agent out there. They call him now the Pacific Coast Manager of the Canadian Government Steamships.

Hon. Mr. PARDEE: Was it not Captain Nicholson?

Hon. Mr. TAYLOR: He was with the Grand Trunk Service.

Hon. Mr. PARDEE: You do not know how long Mr. Keeley has been there?

Hon. Mr. TAYLOR: Keeley was with the Canadian Northern before the Government took it over.

Hon. Mr. BELCOURT: Can my honourable friend tell us how far back these cases of rascality go?

Hon. Mr. TAYLOR: My knowledge of them dates from August, 1922, when they were first brought to my attention. I have not endeavoured to go back, nor have I pretended to present a complete case. What I have said to the Investigating Department is that the case that I have presented is in my opinion only a sample of what is going on in the whole service, and I have asked them to examine into other cases.

For instance, to take a minor case, this same "Canadian Farmer," going one day to Wallace's Dock at Vancouver, touched the floating dolphin that protects the ferry slip there. She drifted from the wharf down with the tide and touched this before she was got under control and brought up again. No damage whatever resulted. That floating dolphin is often knocked eight, ten or twelve feet out of line by the ferry coming in and gonig out. It is put there as a guide to the ferry and is left floating so that it may be struck without damage. A bill for $650 was paid for repairing that, when no one connected with the ship knew that any damage had occured, and the owner of the dolphin, which was the Corporation of North Vancouver, was entirely unaware that the dolphin had been damaged. Yet $650 was paid for restoring it to its place, and the next time the ferry

came about it would knock it out just as far. That is a sample of what goes on in every possible transaction.

Hon. Mr. DANDURAND: By whom was the amount paid?

Hon. Mr. TAYLOR: The insurance was paid by the underwriters.

Hon. Sir JAMES LOUGHEED: Who got it?

Hon. Mr. TAYLOR: I am told that in that case the people who put in the bill were the Wallace Dockyards.

Hon. Mr. PARDEE: We would not have anything to do with that.

Hon. Mr. TAYLOR: Why they should be paid $650—

Hon. Mr. BELCOURT: Who paid it?

Hon. Mr. TAYLOR: The insurance company. The Canadian Government Merchant Marine claim on the insurance company.

Hon. Mr. BELCOURT: That is what I wanted to know.

Hon. Mr. TAYLOR: The insurance people pay it. The captain knew nothing about this, and the owners of the dock knew nothing about it months afterwards. You may say: "How do these things occur? There must be papers signed." The papers are signed in blank. It is the system of the Company to require their captains to sign their documents in blank. I asked Sir Henry Thornton about that. His reply was, "Absolutely no." At the time I received his reply I had in my possession, as I have to-day, a sample of these very insurance claims, amounting to $8,500. Two months after his dismissal they sent to Captain Boyd the papers for an official report and asked him to sign them in triplicate and return them. On my advice Captain Boyd wrote to them asking them to kindly let him know what the insurance was, and what the damage was, because there were columns for those particulars in the report he was asked to sign. The reply to him was to never mind that, just to leave those blank and sign his name to them, and they would fill them in. Now, when they do that with a man who is out of their employ, asking him to sign in blank a document which may be his own death warrant, and let them fill it in over his signature, what do they do with captains in their employ?

Hon. Mr. DANDURAND: Could the honourable gentleman give us the name of the person who made that request of Captain Boyd?

Hon. Mr. TAYLOR: Yes. I have the correspondence. The name of the person was Captain Finglass, the Assistant Marine Superintendent at Vancouver, who has since left the service. He wrote to Boyd asking him to sign this in triplicate, and wrote back to Boyd, when Boyd asked for the details so that he might fill them in, to never mind the details, but just to sign it.

Hon. Mr. GRIESBACH: May I ask a question which seems appropriate at this point? It is obvious that there is one set of people who are continually out in all these transactions; that is the insurance company. The Merchant Marine does not seem to get very much out of the claims, but the insurance company is always out.

Hon. Mr. TAYLOR: Yes.

Hon. Mr. GRIESBACH: Do they intend doing anything in the matter? How long will they continue to be out? How do they get back their loss? Somebody must pay somewhere.

Hon. Mr. TAYLOR: They get it back in their premium rate; they make the rate of premium high enough.

While we are on the subject of insurance, let me mention one point that I forgot. There are claims every month for cargo insurance. In the correspondence between Captain Boyd and the Head Office at Montreal he reports time after time the fraudulent nature of those claims. They cannot reflect on him. It is not a matter of his putting the ship on a rock or striking anything; it is a matter of cargo being reported as damaged. I have in my mind, from the correspondence, this sample case. Fifty-eight rolls of paper are found to be slightly discoloured on the edge, from contact with sea water. That is reported to the captain by the mate. They both survey them and say: "Fifty-eight rolls of paper slightly damaged." In the course of time the captain gets an insurance claim to sign, representing the total damage to be 283 rolls. The 58 have grown to 283 in the meantime, and the damage is complete. When the captain takes that matter up with the gentleman presenting it to him and asks him whom he represents, the gentleman answers that he represents the insurance company. "Well," says the captain, "who represents the owners? I want to discuss this with the owners' representative." "Oh," he says, "I represent the owners too." One man representing both sides!

That is the way our business is handled by the Canadian Government Merchant Marine in Californian ports. It was in a Californian port that this occurred. One man

represents owners and insurers both, and can make any report he likes and certify to it himself. Boyd reported that to his office—

Hon. Mr. PARDEE: That practice is quite common.

Hon. Mr. TAYLOR: Do I understand any honourable gentleman to dispute that?

Hon. Mr. PARDEE: No, but it is a very ordinary practice.

Hon. Mr. TAYLOR: A very ordinary practice?

Hon. Mr. PARDEE: Yes.

Hon. Mr. TAYLOR: And the honourable gentleman, as a guardian of the money of the people of Canada, accepts it as a proper practice?

Hon. Mr. PARDEE: A very ordinary practice.

Hon. Mr. TAYLOR: It is a very ordinary practice in the Canadian Government Merchant Marine to claim whole damage for 283 rolls—

Hon. Mr. PARDEE: That is not the point. The point is simply that claimants and owners accept the one man at the same time. That is very ordinary.

Hon. Mr. TAYLOR: No, the point is, we are claiming from the insurance company and paying premium on losses at least three or four times greater than the losses that occur. Does the honourable gentleman consider that a very ordinary practice?

Hon. Mr. PARDEE: No.

Hon. Mr. TAYLOR: I consider it extraordinary. It is something that should be stopped.

Hon. Mr. PARDEE: I did not say that at all.

Hon. Mr. BELCOURT: Will my honourable friend allow me to ask him a question? He has told us all the facts connected with Captain Boyd, and we are to infer from what he has said that that has happened since the Government took over the operation of the Railways.

Hon. Mr. DANDURAND: Under the Merchant Marine?

Hon. Mr. BELCOURT: The Merchant Marine. What I would like to know is whether the other matters alluded to—for instance, these timber deals and lumber transaction—did not antedate the operation by the Government? Are they not events which took place years ago when the railway was the Canadian Northern Railway and was not under the operation of the Government? I am not speaking now of the Boyd case, because it is evident from the dates given that it is recent.

Hon. Mr. TAYLOR: The dismissals of Lewis and McLauchlin are quite recent. They are under the Canadian National Railways all right. I could, by searching this file, give the honourable gentleman the exact date, but I cannot do it off-hand.

Hon. Mr. BELCOURT: I have more particularly in mind the transactions connected with the man Labrie, of which my honourable friend spoke.

Hon. Mr. TAYLOR: The Labrie story, generally, is under the present Administration.

Hon. Mr. DANDURAND: What years?

Hon. Mr. TAYLOR: 1923.

Hon. Mr. DANDURAND: Are the events reported against Labrie events which took place in 1923?

Hon. Mr. TAYLOR: Yes. Here is the statement of J. M. Morgan, storekeeper, Port Mann, around the beginning of June last. There are some statements in the file antedating government ownership.

Hon. Mr. DANDURAND: Can the honourable gentleman assure the Senate that this is a reliable copy of a file which belongs to the Canadian National Railways?

Hon. Mr. TAYLOR: I can assure you in the same way that I can assure you that our Hansard is a reliable copy from the Government Printing Office. I have no absolute means of knowing.

Hon. Mr. DANDURAND: The honourable gentleman said he had a conversation with Mr. Temple in regard to that report of Mr. Watson's.

Hon. Mr. TAYLOR: Yes.

Hon. Mr. DANDURAND: Can we infer from that conversation that Mr. Temple knows of that file which my honourable friend has in his hand?

Hon. Mr. TAYLOR: I do not know that he knows of this file, but he knows of the correspondence.

Hon. Mr. DANDURAND: Because, naturally, I intend to draw the attention of the President of the Railways, and of the Department of Railways, to the remarks of my honourable friend. It is possible that they

may search in vain for the official documents of which my honourable friend claims to have copies in his hand.

Hon. Mr. TAYLOR: What Mr. Temple said to me was: "I am now engaged in the Watson case." That is all I know about Mr. Temple's connection with the Watson case. I had never heard of it when he told me that. I received this file yesterday.

Hon. Mr. BELCOURT: Is there any reason why that file should not be handed in for the purpose of aiding an investigation?

Hon. Mr. TAYLOR: Not the slightest.

Hon. Mr. POPE: That all depends on whether someone is going to steal it or not.

Hon. Mr. DANDURAND: We could protect ourselves to the extent of asking the honourable gentleman to give a second copy of the documents which he has in hand.

Hon. Mr. POPE: To that I quite agree.

Hon. Mr. TAYLOR: There is this to be said about the file. It mentions the names of several firms under suspicion of regularly paying commissions to this purchasing agent. I would not like to give publicity to the names of those firms without knowing something about that matter.

Hon. Mr. DANDURAND: My honourable friend will recognize that in justice to the Canadian National Railway administration—

Hon. Mr. TAYLOR: If the honourable gentleman wants the file, he shall have it. I simply suggest that the reason I refrain from reading these names is because I do not want to do an injustice to any person who may be misrepresented. I have no responsibility whatever for this file; and, having read from it, you are entitled to it.

Hon. Mr. ROBERTSON: Is it not true that the original of that file is in the hands of Mr. Page?

Hon. Mr. TAYLOR: Oh, yes. It is in the hands of Sir Henry Thornton.

Hon. Mr. DANDURAND: If my honourable friend is sure of the correctness of the copy of the file, that settles the question.

Hon. Mr. TAYLOR: I would suggest that if Sir Henry Thornton says he has not got this, I would be pleased to send it to him if he will make a copy of it.

Hon. Mr. BELCOURT: Can it be identified in any way, so that the question can be answered by the Department? Is that Mr. Watson's report and appendices?

Hon. Mr. TAYLOR: Yes.

Hon. Mr. BELCOURT: What is the date of it.

Hon. Mr. TAYLOR: The date of his main report is June 27, 1923.

Hon. Mr. DANDURAND: Then there is a second report?

Hon. Mr. TAYLOR: No, there is a preliminary report of the 17th of March, 1923.

Hon. Mr. BELCOURT: What is that annexed to the report? Are there no appendices at all?

Hon. Mr. TAYLOR: Yes. A large number of statements, not purporting to be sworn, taken by Mr. Watson and another investigator whose name escapes me for the moment. There are, I suppose, about 20 or 25 statements.

Hon. Mr. DANDURAND: Which were turned in to the Department by Mr. Watson, with his report?

Hon. Mr. TAYLOR: Yes. Here are the names of those who made the statements: D. Thomas; G. Saba; R. F. Gernae; W. H. Fogg; Miss A. E. Morrice; Miss I. J. Roger; A. Crossland; J. H. Morgan; C. J. Quantic; V. L. Lloyd-Owen; Ross White; T. S. Tuxford; re P. Bain; re W. S. Burley; re A. T. Robson; re H. J. Mackin; re T. T. Gadd; A. E. McLaughlin; O. J. Millar; re Mr. Cameron; re Mr. Walton; re J. E. Coney; T. H. White; G. Fortimer; T. R. Macleod; D. O. Lewis; A. B. Grier; E. J. Wakefield; Mrs. MacKinnon; Miss McKay. Then there is a copy of newspaper clippings which I have not got, but which is said to be contained in this file.

Hon. Mr. BENNETT: Honourable gentlemen, I am sure the country will thank the honourable gentleman from Westminister (Hon. Mr. Taylor) for having brought this matter before the House. When Sir Henry Thornton was appointed to take charge of the Canadian National Railways, I think everybody voiced the hope that he would make a success of them; and at the same time they put him on his guard as to the handling of the combined railways—the Canadian Northern and the Grand Trunk. I remember very well on more than one occasion referring to things and officials connected with the Grand Trunk Railway. I had hoped that Sir Henry Thornton, after a short sojourn in Canada, would have dispensed with the services of some of the Grand Trunk officials.

Statements were made publicly in this House in this regard. For instance, I said that certain Grand Trunk officials, while in charge of matters of great importance, had allowed and permitted one firm to become the debtor of the railway to the extent of $200,000, and that owing to the failure of this concern not one cent had been received. That sort of advice seems to have been lost on Sir Henry Thornton. Men who must have known of that transaction still grace high positions in the Grand Trunk Railway. It is surprising that Sir Henry Thornton in all the time he has been in Canada has turned a deaf ear to all advisers, and, with a certain amount of bluff and bluster, may I say, has told Parliament and others that he is going to run the Railway just as he pleases. He has been doing that for the past year or so. The public may rail and the newspapers may discuss matters, but what is the result? Sir Henry Thornton is supposed to be above Parliament and parliamentary institutions in this country, and any man who criticizes anything about the handling of the Canadian National Railways is accounted a wrecker of the railway system belonging to this country.

Every member of this House must wish to see this Railway successful; but how is it to be successful? How are the men, from the lowest rungs of the ladder up, to make a success of it if Sir Henry Thornton does what he does? Read the papers of yesterday. Why, the country will stand aghast at the evidence given by Mr. Graham Bell yesterday before the Commission inquiring into the affairs of the Home Bank. It seems extraordinary that Sir Henry Thornton should have been the man who during a critical period in the affairs of the Home Bank should direct that $1,000,000 of the moneys of the Canadian National Railways should be passed over to that Bank so that it might make a good showing at the end of the month. I have not the printed evidence before me, but I have what appears in one of the newspapers. Let us see what it says:

> Mr. Graham Bell says:
> The meeting was held in Sir Henry Thornton's office. Mr. Gough, who, while a director of the railway, was also a director of the Home Bank—I did not know at the time that he was vice-president of the bank—I knew he was a director, and he approached me directly after the meeting and asked, as we were dividing up some of our accounts with different banks (we had taken a couple of new banks into our banking arrangements shortly before this), and on account of the business they were doing, which would be of interest to the railway, he urged that the Home Bank could use some of the money at that moment before the end of the month. He also said that they would have funds coming in at the first of the month and asked if we would not build up a deposit.

What next happened?

> "I told him that I had resigned and I refused to do it. I also told him he would have to see the president. He walked over to the president and the president called me over and said—he was talking to another director—'I am busy, Bell, and if you go into this matter, and if you are satisfied, go ahead with it, and then you can confirm it at the next meeting. You act for me in this."

It is idle to say, even if it was only a million dollars—because that seems to be a mere bagatelle in the sight of Sir Henry Thornton—that he did not know what was happening, because Mr. Graham Bell, being the subordinate, would not take upon himself the responsibility of doing what was done, without consultation with Sir Henry Thornton. Mr. Graham Bell then says this—

The Hon. the SPEAKER: I think I ought to ask the honourable gentleman what that has to do with the motion on the Order Paper.

Hon. Mr. BENNETT: I am going to give reasons, Sir, why an inquiry should be made into the Department of Marine. Among others, the reasons are these: that, from certain matters which have been laid before the public, it appears highly important that the papers asked for in the motion should be laid before us. I do not know whether this motion is to be permitted to pass or not, and I am going to give the reasons why in this particular matter I wish to see—

Hon. Mr. DANDURAND: I may say to the honourable gentleman that I have no objection to the motion passing.

Hon. Mr. BENNETT: Then I am sure the honourable gentleman, in the interest of the country, will quite concur that there should be a discussion in regard to the Canadian National Railways, which are of greater importance than those dealt with in the motion on the Order Paper.

Hon. Mr. DANDURAND: I do not think it would be in order to extend the discussion beyond the bounds of the notice of motion. I do not know what ground it may cover. I looked at the motion on the Order Paper before I came into the Chamber, and I saw that there was no objection to granting what was requested.

Hon. Mr. BENNETT: Well, honourable gentlemen, I think that anything in connection with this railway can be discussed. I see no reason why it cannot be.

Hon. Mr. DANDURAND: I would draw the honourable gentleman's attention to the fact that the railway is not in question at all, but that the motion bears on the steamship Canadian Farmer.

Hon. Mr. BENNETT: It is connected with the Canadian National Railways, and so is the matter I am referring to.

Hon. Mr. DANDURAND: Surely my honourable friend will recognize that the administration and operations of the Home Bank are not fit matter to be discussed under this motion.

Hon. Mr. BENNETT: Then I will take the ground, before I sit down, that I will move an amendment to the motion. I think then I would be in order. This motion does not satisfy me; it does not go far enough. I will move an amendment.

Hon. Mr. BELCOURT: The honourable gentleman ought to indicate the nature of his amendment.

Hon. Mr. BENNETT: I will indicate it at once:

That in the interests of the Dominion of Canada there should be a committee of this House appointed forthwith to inquire into any matters or complaints connected with the Canadian National Railways which may be brought before it.

Hon. Mr. DANDURAND: But my honourable friend surely will have to preface that conclusion by some matters which he desires to investigate, because, under the present motion, there is nothing that needs investigation.

Hon. Mr. BENNETT: I presume I shall be keeping within the bounds if I state the reasons. In the first place, I think there should be a full and thorough inquiry into the Canadian National Railways by a special committee of this House, because of the fact that the President of the Railway Council advised and promoted a loan of $1,000,000 to the Home Bank in order to buttress up its position at the close of the month, thereby deceiving the people of Canada who were depositors and stockholders in the Bank.

Hon. Mr. DANDURAND: Does not the honourable gentleman believe that it would be far more regular to let this motion pass, and to give notice of a motion bearing on the necessity of an enquiry by this Chamber of a certain nature? Then we would have a substantive motion. Just now my honourable friend is opening a debate which goes far beyond the notice of motion which is on the Order Paper. I think the matter which my honourable friend has in his mind is of sufficient importance to deal with separately.

Hon. Mr. BELCOURT: If my honourable friend would think for a moment he must admit that the investigation of the Canadian National Railways management is hardly germane to the motion now before the House, and any amendment which might be proposed to the motion must be germane to it. I might be quite disposed to vote for a motion to investigate the administration of the Canadian National Railways, but not as an amendment to this. I might be compelled to vote against this proposed amendment on the ground that it is not germane to the motion.

Hon. Mr. BENNETT: Then I think there will be no difficulty, with the assistance of my honourable friend and the House generally, in supporting an amendment that this matter, which is smaller, be included in the greater and then all the subjects can be inquired into by a Committee of this House. My honourable friend is well aware of an inquiry in this House which shook Canada to its very centre, the Baie de Chaleurs inquiry.

Hon. Mr. BELCOURT: And the Canadian Pacific.

Hon. Mr. BENNETT: Why, then, not deal with matters that relate to the public purse of Canada?

Hon. Mr. BELCOURT: But it is not germane to this.

Hon. Mr. DANDURAND: My honourable friend can cover all the ground he pleases; he can take in any single point he wishes; but surely he should do that by a direct notice of motion.

Hon. Mr. BENNETT: Surely I have now made it direct when I have stated to the House that I will move an amendment to this motion, that there be a special reference to a Committee of the House, and that this matter be included with other matters that may be suggested.

Hon. Mr. DANDURAND: I do not think so.

Hon. Mr. BENNETT: The question of the Home Bank deposits is not the only question. There is the Paris Hotel, of most unsavoury reputation, and I propose to inquire how that man with an unpronounceable name was able to take this Government by the throat and get $30,000 out of them.

Hon. Mr. DANDURAND: I might draw my honourable friend's attention to the fact that he is out of order. If he wants to investigate this matter or bring it before the Senate, there is a way by which he can do so.

Hon. Mr. BENNETT: I am surprised that honourable gentleman who have charge of

the Treasury should not open it and expose it to the public gaze by public investigation.

Hon. Mr. DANDURAND: Surely my honourable friend has been long enough a parliamentarian to know the rules that govern the House of Commons as well as the Senate. If he will bring in a charge or make an inquiry there is a simple way of doing this, and I am sure that the Senate will not deny him the right to an inquiry on any matter of public interest. It would take a certain time to do so, and he knows very well that such matters as the Home Bank and the Scribe Hotel will be examined in another place. They can be examined here if it pleases any honourable gentleman and a majority to go into a similar investigation. I will not block the way, but my honourable friend must do it under the rules of the House.

Hon. Mr. BENNETT: As I understand the rules of the House there is no objection to my moving an amendment, and that amendment could be couched in these words:

And that in addition thereto there should be added that a Committee of this House inquire into that matter and any other matters that may be submitted to it.

Has the honourable gentleman any objection to that?

Hon. Mr. DANDURAND: I have. The motion is that an order of the Senate do issue for a return, and my honourable friend can enlarge this notice of motion by adding to the return which is sought; but to ask for an inquiry into something that is not germane to this motion is not in order.

Hon. Mr. BENNETT: If I add these words—

And that an inquiry be made into the facts connected with the matters moved for, by a special committee of the House.

—surely that is not objectionable?

Hon. Mr. BELCOURT: Why not take the other course which is plain, and to which there can be no objection? Some of us will vote against my honourable friend's amendment because it is not germane, who would probably vote for a substantive motion to the same effect. I cannot understand my honourable friend's persisting in violating the rules.

Hon. Mr. BEIQUE: The facts stated by my honourable friend appeal to my mind, and I would be disposed to support a motion such as has been suggested, but I fail to see why the honourable member objects to following the usual rule. I do not think that he makes his amendment germane to the motion which is before the House. Notice may be given for to-morrow, and I would suggest that my honourable friend could make a motion to cover all that he has in his mind. The only objection on this side of the House is that my honourable friend is not proceeding regularly.

Hon. Mr. BENNETT: Very well, then, I am within the pleasure of the House as to that, and, as the honourable leader of the House assents to the passing of the resolution, I will postpone the remarks I have to make until I have moved the other resolution.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill M2, an Act for the relief of Ella Vear.—Hon. Mr. Sharpe.

Bill N2, an Act for the relief of Anna Welton.—Hon. Mr. Daniel.

Bill O2, an Act for the relief of Marjorie Mahaffy Cox.—Hon. Mr. Todd.

Bill P2, an Act for the relief of Mary Elizabeth Milne.—Hon. W. B. Ross.

Bill Q2, an Act for the relief of Georgina Myrtle Potts.—Hon. W. B. Ross.

Bill R2, an Act for the relief of Guy Barrington Hutchings.—Hon. W. B. Ross.

SECOND READINGS

Bill T2, an Act for the relief of Amy Selain Slater Therrien.—Hon. Mr. Pope.

Bill U2, an Act for the relief of Harold Adrian Proctor.—Hon. W. B. Ross.

Bill V2, an Act for the relief of Harry Charles Arthur.—Hon. Mr. Green.

Bill W2, an Act for the relief of Tony Bazar.—Hon. Mr. Green.

PRIVATE BILLS

SECOND READINGS

Bill S2, an Act to incorporate Dominion Electric Protection Co.—Hon. Mr. Foster.

Bill X2, an Act respecting The General Animals Insurance Company of Canada.—Hon. Mr. Green.

Bill 15, an Act respecting The Canada Southern Ry. Co.—Hon. Mr. Robertson.

Bill 16, an Act respecting The Detroit River Tunnel Co.—Hon. Mr. Robertson.

JUDGES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 25, an Act to amend The Judges Act.

Hon. Mr. Blain in the Chair.

Section 1 was agreed to.

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.

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

INDUSTRIAL DISPUTES BILL

CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

Committee of the Whole House on Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Mr. BEIQUE: Would the honourable gentleman be kind enough to have this Order postponed till next week?

Hon. Mr. DANDURAND: Till after the adjournment?

Hon. Mr. BEIQUE: Yes. I shall not be able to be present to-morrow, and I would like to take part in the discussion of this matter.

Hon. Mr. DANDURAND: I took occasion yesterday to urge that my honourable friend should not insist upon his amendment of last year. I hope that by granting him the postponement for which he asks we shall give him time to be convinced.

Hon. Mr. BEIQUE: My mind is always open.

Hon. Mr. DANDURAND: I move that the Order be discharged and be placed on the Order Paper for Wednesday, the 21st.

The motion to postpone the Order was agreed to.

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

THE SENATE

Friday, May 9, 1924.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill K, an Act respecting a patent of Thomas Williams Pritchard—Hon. Mr. Belcourt.

Hon. Mr. McMEANS moved the third reading of Bill X2, an Act respecting the General Animals Insurance Company of Canada.

He said: This Bill, which has been reported by the Committee was introduced very early in the Session; it provides only for a change of name, an increase of capital and of insurance, and a change in the head office. The Insurance Department has approved of the Bill, and no opposition has been offered to it from any source. The interested parties are anxious to have the Bill sent to the House of Commons, and, as we are going to adjourn this afternoon, I ask the indulgence of the Senate.

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

DIVORCE BILLS

FIRST READINGS

Bill K3, an Act for the relief of Ruth Ethelind Jackes.—Hon. G. V. White.

Bill L3, an Act for the relief of Wilfred John Mitchell.—Hon. Mr. Haydon.

Bill M3, an Act for the relief of Edward James Bentley.—Hon. W. B. Ross.

Bill N3, an Act for the relief of Elizabeth Sylvia Cameron.—Hon. W. B. Ross.

Bill O3, an Act for the relief of Wilhelmina Aird McKay—Hon. Mr. Blain.

INDUSTRIAL INVESTIGATION BY J. C. WATTERS

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an order of the Senate do issue for a return to include copies of orders and letters of instruction authorizing J. C. Watters, during the present year, to make a survey of Industrial conditions in the coal mining districts of Nova Scotia, and other documents relating to such appointment showing the purpose and scope of investigation and survey to be made by him and the places in Nova Scotia in which he is to make the survey.

Hon. Mr. MURPHY: I would like to ask the honourable leader of the Government if Mr. Watters has any engineering experience, or any experience as a surveyor. If the honourable leader is not in a position to answer that question, probably the honourable gentleman to his left (Hon. Mr. Casgrain), who is very capable in this line, can answer it. Mr. Watters is appointed to make an investigation in the coal mining areas of Nova Scotia.

Hon. Mr. DANDURAND: I will make inquiries, and will answer at the next sitting of the House.

The motion was agreed to.

THE STEAMSHIP SHEBA

MOTION FOR RETURN

Hon. Mr. CASGRAIN moved:

That an Order of the Senate do issue for a copy of the log-book of the Steamship Sheba from August 5, 1914, to August 19, 1914, on her trip from Halifax to Port Nelson.

The motion was agreed to.

EXPORT OF INTOXICATING LIQUORS

On the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: I would ask my honourable friend the leader of the Government if he would make inquiries as to a return moved for by me in the early days of the Session, with reference to the export of intoxicating liquors, and would have that ready, if possible, when we meet again.

Hon. Mr. DANDURAND: I will attend to it.

CANADIAN NATIONAL RAILWAYS

On the Orders of the Day:

Hon. Mr. BENNETT: Yesterday, in the course of the discussion on the motion of the honourable member for New Westminister (Hon. Mr. Taylor), I stated among other things that I intended moving to-day, I think, for a committee of inquiry into the affairs of the Canadian National Railways. When I made that statement I fully realized the consequences of it. Doubtless, throughout the country, in the press supporting the Government, there will be an outcry that this is an attack on the Management of the road, and that such an attack should not be made at the present time, considering the distress of business in Canada. I have not receded from the position I have taken; but the preparation of the motion would involve some work and a good deal of consideration; therefore I do not make the motion to-day. However, on the assembling of the House on the 20th instant I will make a motion for a special committee, couched in the terms that I used yesterday.

DIVORCE BILLS

THIRD READINGS

Bill T2, an Act for the relief of Amy Selain Slater Therrien.—Hon. Mr. Pope.

Bill U2, an Act for the relief of Harold Adrian Proctor.—Hon. W. B. Ross.

Bill V2, an Act for the relief of Harry Charles Arthur.—Hon. Mr. Green.

Bill W2, an Act for the relief of Tony Bazar. —Hon. Mr. Green.

SECOND AND THIRD READINGS

Bill Z2, an Act for the relief of Gordon Johnston Hutton.—Hon. Mr. Smith.

Bill A3, an Act for the relief of Douglas Carlyle Bell.—Hon. W. B. Ross.

Bill B3, an Act for the relief of Elma Catheryne Caulfield.—Hon. W. B. Ross.

Bill C3, an Act for the relief of Alice Bertha Boyce Baker.—Hon. Mr. Blain.

Bill D3, an Act for the relief of John Lee Williamson.—Hon. Mr. Hardy.

PRIVATE BILLS

SECOND READINGS

Bill Y2, an Act respecting Alliance Nationale.—Hon. Mr. Beaubien.

Bill 8, an Act to change the name of The Travellers Life Assurance Company of Canada to "Montreal Life Insurance Co.".—Hon. Mr. L'Esperance.

Bill 14, an Act to incorpate The Roman Catholic Episcopal Corporation of Prince Rupert.—Hon. Mr. Coté.

The Senate adjourned to Tuesday, May 20, at 8 p.m.

THE SENATE

Tuesday, May 20, 1924.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill 9, an Act respecting the T. Eaton General Insurance Company.—Hon. Mr. Lynch-Staunton.

Bill 17, an Act respecting the Montreal, Ottawa and Georgian Bay Canal Company. —Hon. Mr. G. V. White.

Bill 19, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

Bill 22, an Act to amend an Act to incorporate the Burrard Inlet Tunnel and Bridge Company.—Hon. Mr. Crowe.

Bill 23, an Act respecting the Commercial Travellers Insurance Society.—Hon. W. B. Ross.

Bill 36, an Act respecting The Northern Life Assurance Company of Canada.—Hon. Mr. Lynch-Staunton.

Bill 37, an Act to change the name of Imperial Underwriters Corporation of Canada to "Imperial Insurance Office".—Hon. Mr. Pardee.

Bill 38, an Act respecting The Esquimalt and Nanaimo Railway Company.—Hon. Mr. Green.

Bill P3, an Act to incorporate The Merchants Casualty Insurance Company.—Hon. Mr. Laird.

Bill Q3, an Act to incorporate The Laurentian Insurance Company.—Hon. Mr. Haydon.

BANKRUPTCY BILL

FIRST READING

Bill R3, an Act respecting the application of The Bankruptcy Act, 1919, to the Province of Quebec.—Hon. Mr. Blondin.

GRANDE FRESNIERE-RINFRET JUNCTION BRANCH LINE BILL

FIRST READING

A message was received from the House of Commons with Bill 31, an Act respecting the construction of a Canadian National Railway Line between Grande Fresnière and Rinfret Junction, in the Province of Quebec.

Hon. Mr. McMEANS: I do not know whether this is the proper time to raise the question, but I should like to draw the attention of the House to the fact that we never get correct information in regard to these Railway Bills. I hope that when this Bill comes up for second reading the leader of the Government will give us some information that can be relied upon. Last Session I asked how much money had been spent on the Long Lac railway, and the answer the leader of the Government gave me was $150,000. This year I asked the same question, and I find that the line was completed within about three months after, and that almost a million and a half had been spent upon it.

Hon. Mr. DANDURAND: I do not recall the incident. I do not know whether my honourable friend refers to a question on the Order Paper, in which case the answer I gave him came from the Railway Department, or to a question asked during the discussion of the Bill, when I probably would answer from the information as I found it in the schedule before me. I wonder if the Senate will be disposed to take the same view as my honourable friend, and I would like very much to hear the opinion of the Senate on this point. My honourable friend expresses the hope that when these Bills are brought before the House for second reading all the necessary information will be forthcoming. I beg of him, and of the Senate, not to throw that responsibility upon my shoulders. If it is agreed to refer the Bills to the Standing Committee on Railways, Telegraphs and Harbours, then I shall have officials of the Canadian National Railways present, with all the documents and data, and my honourable friend or any other member of the Committee will be in a position to obtain direct information. It is of course the right of the Senate to require information of the representative of the Government on the second reading, but I wonder why we should start a discussion on the merits of these Bills before the Committee has reported. It may be satisfied with the explanations given and report favourably, yet a majority of the Senate may differ with the Committee. I would ask my honourable friend to reconsider the advisability of insisting upon information on the seconding reading of the Bills. Personally I would much prefer not to be in the position in which I am at present, of giving information which may be found inexact when we go into Committee. Why take the time of the Senate? The Committee will have direct information from the railway officials, who will be present.

Hon. Mr. McMEANS: I would like to remind the honourable leader of the Government that last year, on the second reading of these Bills, the question was asked: "How much money has been spent on the Long Lac Railway?" His answer was: "About $150,000." I asked the question this year because I knew that he must be wrong, and he says the line was opened by order of the Board December 24th, 1923; work on the line fully completed; expenditure to January, 1924, $1,518,272.62. This Chamber has been abused throughout this country for stopping the construction of railways. The statement has been spread all over the country that we stopped it. The Long Lac Railway had been practically built when the honourable leader of the Government informed this Chamber that only $150,000 had been spent upon it.

Hon. Mr. DANDURAND: I would point out that I gave a statement in June, but my honourable friend now carries the expenditure to the 1st of January, 1924. There may be the explanation.

Hon. Mr. McMEANS: But the line was opened in December, and the information was given to us in June that $150,000 had been spent.

Hon. Mr. DANDURAND: No, no, no; my honourable friend is mistaken. If he will read again he will find it was December, 1923, or January, 1924.

Hon. Mr. McMEANS: "Opened by order of the Board December 24, 1923." That is, the line was built and in operation.

Hon. Mr. DANDURAND: In December, 1923.

Hon. Mr. McMEANS: December, 1923; and in June, 1923, only $150,000 had been spent upon it. The assertion has been made throughout the country that this Chamber was very active in stopping the construction of branch railways. This line had already been practically built, for it was opened three or four months after the honourable leader of the Government gave the information to this Chamber. The information was absolutely wrong and misleading.

Hon. Mr. DANDURAND: That is not so sure.

Hon. Mr. McMEANS: Certainly. There cannot be anything surer than that, and I desire to request the honourable leader of the Government that when he brings these Railway Bills before this Chamber he will give us accurate information, upon which we may rely. Then the Senate will not be represented as having stopped the construction of all the proposed lines in the country.

Hon. Mr. DANDURAND: My honourable friend will observe, if he insists upon information on the second reading, that I shall give him just what information I receive from the Deputy Minister, who will be sitting beside me; whereas in Committee it will be possible to cross-examine the Deputy Minister.

Hon. Mr. POPE: I would like to know from the honourable leader of the Government whether the evidence of the Committee is published or not.

Hon. Mr. CASGRAIN: No.

Hon. Mr. POPE: Then we shall still be subject to the same criticism by the public press of both parties throughout Canada, that we have thwarted the development of this country by opposing the proposed measures. There will be no information before the public unless it is given to us on the second reading of the Bill; and I think the people of Canada, as well as honourable members of the Senate, are entitled to the fullest explanation that the honourable leader of the Government can give to us on those Bills, apart from what information we may get in Committee.

Hon. Mr. DANDURAND: I am not so sure that the public and the press are not admitted to the meetings of our Standing Committee.

Hon. Mr. CASGRAIN: Yes, the press is admitted.

Hon. Mr. DANDURAND: Then information can go out to the public regarding that takes place in our Committee.

Hon. Mr. POPE: If there is not more interest than has been shown by the press of Canada, or if the press is not paid to publish the information, there will not be much of it going out. The press of Canada is a paid institution.

Hon. Mr. CASGRAIN: Put it in the Herald.

The Bill was read the first time.

KAMLOOPS-KELOWNA BRANCH LINE BILL

FIRST READING

Bill 33, an Act respecting the construction of Canadian National Railway Line, Kamloops-Kelowna Division, Province of British Columbia.—Hon. Mr. Dandurand.

PEEBLES BRANCH LINE BILL

FIRST READING

Bill 41, an Act respecting the Construction of a Canadian National Railway Line from Peebles southerly in the Province of Saskatchewan.—Hon. Mr. Dandurand.

GRAVELBOURG BRANCH LINE BILL

FIRST READING

Bill 42, an Act respecting the Construction of a Canadian National Railway Line extending the Gravelbourg Branch to Neidpath, in the Province of Saskatchewan—Hon. Mr. Dandurand.

STE. ROSE DU LAC BRANCH LINE BILL

FIRST READING

Bill 43, an Act respecting the Construction of a Canadian National Railway Line extending the Ste. Rose du Lac Branch to Rorketon in the Province of Manitoba—Hon. Mr. Dandurand.

TURTLEFORD-HAFFORD BRANCH LINE BILL

FIRST READING

Bill 48, an Act respecting the Construction of a Canadian National Railway Line from Turtleford to near Hafford in the Province of Saskatchewan.—Hon. Mr. Dandurand.

KELVINGTON BRANCH LINE BILL

FIRST READING

Bill 50, an Act respecting the Construction of a Canadian National Railway Line from

near Kelvington in the Province of Saskatchewan northerly 13 miles.—Hon. Mr. Dandurand.

PRINCE ALBERT-PADDOCKWOOD BRANCH LINE BILL

FIRST READING

Bill 51, an Act respecting the Construction of a Canadian National Railway Line from Prince Albert to near Paddockwood in the Province of Saskatchewan.—Hon. Mr. Dandurand.

EYRE-ACADIA VALLEY BRANCH LINE BILL

FIRST READING

Bill 52, an Act respecting the Construction of a Canadian National Railway Line between Eyre, in the Province of Saskatchewan, and Acadia Valley, in the Province of Alberta.—Hon. Mr. Dandurand.

ESTON-WHITE BEAR BRANCH LINE BILL

FIRST READING

Bill 53, an Act respecting the Construction of a Canadian National Railway Line between Eston and White Bear in the Province of Saskatchewan.—Hon. Mr. Dandurand.

ST. PAUL BRANCH LINE BILL

FIRST READING

Bill 55, an Act respecting the Construction of a Canadian National Railway Line from St. Paul, in the Province of Alberta, southeasterly 21 miles.—Hon. Mr. Dandurand.

ROSEDALE BRANCH LINE BILL

FIRST READING

Bill 61, 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.

DIVORCE BILLS

FIRST READINGS

Bill S3, an Act for the relief of Mary Ellen McClelland.—Hon. Mr. Pope.

Bill T3, an Act for the relief of Annie Jane Bridges.—Hon. Mr. Pope.

Bill U3, an Act for the relief of Florence Rathburn.—Hon. Mr. Pope.

Bill V3, an Act for the relief of William Samuel Morrow.—Hon. Mr. Webster (Brockville).

Bill W3, an Act for the relief of Ethel May MacDonald.—Hon. Mr. Blain.

Bill X3, an Act for the relief of Stanley George Harris.—Hon. Mr. Blain.

EXTRA ALLOWANCES TO GOVERNMENT EMPLOYEES

INQUIRY

Hon. GEORGE H. BRADBURY rose in accordance with the following notice:

That he will direct the attention of the Senate to the large number of Government employees who draw extra allowances in addition to their salary, and inquire what action, if any, the Government intends to take in the matter.

He said: Honourable gentlemen, the notice that stands in my name on the Order Paper was placed there that I might have an opportunity of drawing attention to a matter of considerable importance to this country. There is considerable difficulty in dealing with this subject, and I realize that it is not a popular one. Anybody who criticises the Public Service in any way is often misunderstood.

My attention was drawn to a return laid on the table of the House by the Government a week or two ago at the request of my deskmate (Hon. Mr. Planta). In looking over that return I was amazed to find the large number of officials who received salaries of considerable amounts from the Government, and in addition allowances which in some cases were almost equal to their salaries.

I am not criticizing the salaries paid to these employees. Speaking now of what was at one time the Northwest Mounted Police, now known as the Royal Canadian Police, I am criticizing the method of keeping the accounts of moneys paid to these men. The Auditor General's report requires a great deal of time and search to find out exactly what each of those men receives from the country, as a system has been in vogue for years in connection with the expenditure of public money which is a camouflage of the amounts that are paid.

I remember my attention was called about a year ago to one case which I will cite in order to show exactly what I mean. I think it occurred in connection with the former Auditor General. According to the public accounts that officer received a salary of $5,000 or $6,000 a year, and the ordinary reader of the Auditor General's report would believe that that was all that this official received; but year after year an amount of $2,000 was voted in the Estimates and paid to that officer as part of his salary.

I want to enter my protest against this system of covering up the amount of money paid out to different officials. The body of men known as the Royal Canadian Mounted Police have a record in Canada equal to that of any other body of men in the world. The

old Northwest Mounted Police made that record. Unfortunately the service has been degraded since it has been brought to the eastern part of this country. When the body was brought down here I understood, and still understand, that it was designed for a very special service, and that we would have a body of trained and independent men prepared to cope with any situation which might arise in this country. But our friends, the present Government, have practically taken the teeth out of this splendid force. For instance, not very long ago in Sydney we had a serious state of affairs where a great strike occurred, and valuable property was being destroyed, but the Government refused to send one of those men into that district. The Government apparently capitulated to the demand of the labour interests in this country, and practically refused to allow this splendid body of men to be called in to protect that property. I submit that this is a serious mistake, and if it is going to be continued they had better disband the Royal Canadian Mounted Police, because they will cease to discharge the great and important duty for which they were designed when they were brought to the eastern part of Canada.

I do not desire to take up much time in reading this return. My desire is to have it placed on Hansard, so that every member of this body will have an opportunity of seeing exactly what is being paid to those different men and the method that has been adopted in paying them.

For instance, the Commissioner at Headquarters, Mr. Cortlandt Starnes, has a salary of $5,456.25 (and his allowances amount to $2.506.66, making a total of $7,962.91. The allowances are made up of ration allowance, $584; rent of quarters, $1,320; gas and light, $122.16; coal, $480.50. In addition to these allowances this gentleman has a servant who costs this country I presume $1,300 or $1,400, and he has a chauffeur and a car.

Hon. Mr. McMEANS: They all have cars, I think.

Hon. Mr. BRADBURY: I do not know. My point is that if this Commission calls for such salaries and allowances, then in the interests of everything that is decent in the way of keeping public accounts the men ought to be paid a straight salary so that the people would know exactly what they were getting.

I now come to the next, Mr. Worsley, Assistant Commissioner. I find his salary is $2,855.25, and his allowances $2,113.40, making a total of $4,969.65.

Hon. Mr. McMEANS: Has he got a car too?

Hon. Mr. BRADBURY: No, apparently he has no car. Then the Superintendent's salary is $2,956.25 and his allowances $1,508.76 making a total of $4,465.02.

Superintendent Cawdron's salary is $2.956.25 and his allowances $1,508.87, made up of ration allowances, $292; rent of quarters, $840; gas and light, $111.12; coal, $265.

S. M. Fraser has a salary of $2,656 and allowances $1,444, making a total of $4,100, made up of ration allowance, $292; rent of quarters, $720; gas and light, $121; coal, $311.

The whole list of those officers is made up in the same way. Many of them are permanent men here, who have been living in Ottawa for many years, just in the same position as those in the Civil Service to-day.

Hon. Mr. CASGRAIN: When did they commence to draw those allowances?

Hon. Mr. BRADBURY: I do not know. It makes no difference to me whether this system has been going on for one or ten years.

Hon. Mr. CASGRAIN: I thought it was something new.

Hon. Mr. BRADBURY: I am pointing out the position of the matter, and asking the Government if it will not cease to camouflage the payments made to employees of the Government.

Now, gentlemen, I would ask that this return be placed on record on the Hansard without my taking up the time of the House to read it.

Hon. Mr. CASGRAIN: Those allowances are in lieu of barracks, which would cost much more.

Hon. Mr. BRADBURY: I want to point out also that there are about 1,100 men on the Mounted Police force, and I find that they have 40 civilians in Headquarters here conducting the acairs of that body, and in addition to those they have 70 uniformed men in the same office, making a total of 110 clerks to take care of 1,100 men. Now, everybody knows that that is hardly the strength of an ordinary battalion whose clerical work is done entirely at the Orderly room by a sergeant under an adjutant and four or five clerks; yet we find 110 men to do this work. I am simply drawing the attention of the Government to this fact so that something may be done to remove what seems to be a very great overlapping in this service.

I understand there are only twenty-seven men here in barracks, and that all the officers whose names I have read—and I have read

only a very small portion of them—are required here at headquarters to look after the few men that are here and the others that are out on duty. Two hundred and twenty-nine of those men have been converted into what has taken the place of the old Dominion Police. I want to enter my protest against the practice of paying men who might be called military men, or semi-military men, if you will, salaries and allowances while here at headquarters. If they were in the field, of course they would be entitled to a portion of this amount for allowances, but many of these men reside right here in the city of Ottawa and there is absolutely no excuse for their drawing down these allowances.

In addition to that, I find a return from the Militia Department which contains similar objectionable information. I maintain that it is objectionable that any set of men in Ottawa who are practically civil servants, if they are anything, should receive these allowances. If you look over the list you will find that some of them draw very heavy allowances. I am going to read the names of two or three as an example. Major Armstrong, temporary Colonel, receives a salary of $4,200; he draws an allowance in lieu of public quarters—that means for his house—of $500; he draws in lieu of rations $200; and he draws a married man's allowance of $400. That amounts to $1,100 in addition to this salary of $4,200. I am not criticizing the total amount of money he is receiving, if he is entitled to it; but I ask the Government to make it plain, so that any man who picks up the Auditor General's Report can tell exactly what these men are receiving. Major Brown draws $4,400 in salary; he receives $500 in lieu of quarters; $200 in lieu of rations, and $400, married man's allowance. That is a total of $5,500.

Hon. Mr. SCHAFFNER: Do they have cars?

Hon. Mr. BRADBURY: Not as far as I know. I have not the return that refers to that. I do not think they have.

Now, honourable gentlemen, I would ask that this return be placed on Hansard so that everyone may know exactly what these men are drawing from the country. I wish to emphasize as strongly as I can the objectionable features of this whole business, namely, the apparent attempt to cover up the amount of public money that is paid out to different men. The system is a vicious one and ought to be done away with; and I would respectfully ask the leader of the Government to call the attention of the Government to the facts, and to see if conditions cannot be remedied. While doing that, I think it would be well if he would point out the condition of the Headquarters Staff of the Mounted Police here in this city. The idea that it requires 110 officials, in addition to the officers, to care for the business of 1,100 men is preposterous, and I think there is room for some great change in this connection. With the permission of the House I will hand in this document with the understanding that it is to go on record.

In conclusion I may just say that there are some cars mentioned in connection with the Mounted Police. I find that the Commissioner is allowed a sedan and that he has a chauffeur. Anybody who knows anything about the old Mounted Police knows that they were a credit to Canada. All the members had horses. No doubt the men here now have horses also. As I said before, there are 27 men in barracks here, and I am told that there are fifty or sixty horses so some of these horses must be for the detachment that is supposed to be in Ottawa but that is doing duty elsewhere. I would not mention these things if it were not for the reasons given for having them. One of the reasons advanced is that the motors might assist in conveying gold from the Mint up to the Parliament Buildings. If it is necessary to take charge of the gold that comes from the Mint to this building, surely a mounted escort would be more in keeping than four or five men in cars.

Hon. W. A. GRIESBACH: Honourable gentlemen, I feel that I ought to offer a few observations with respect to the remarks of my honourable friend. I was born and brought up with the Mounted Police, and I think I may claim to know something about that force. My honourable friend has stated, and he has repeated the statement a number of times, that his purpose in bringing this matter to the attention of the House is to correct a form of accounting which he suggests is misleading to the public and constitutes a sort of camouflage as to the amounts paid to certain persons in the public service. Well, if that is so, it has been the practice of the Auditor General for so many years that the memory of man runneth not to the contrary. My honourable friend is seeking to put upon Hansard these amounts, and I suspect—although I may be wrong—that his purpose is not so much to call the attention of the House to an impropriety in accounting as to bring to the attention of the House the matter of the allowances and the pay involved.

In dealing with these allowances, it ought to be said on behalf of these officers that, upon joining the force, they are by regulation entitled to certain remuneration which of necessity in a military force, and more particularly in such a force as the Mounted Police, is partly in cash and partly in kind. There is a historical reason for that. In the old days when the Mounted Police were organized, money was of little value in purchasing housing, light, heat, water, food and so forth. To-day in some parts of the country covered by the activities of the Mounted Police these things are of great value; in other places they are of less value; but always of importance. An officer or man on joining the Mounted Police is therefore paid so much in cash, and is supplied by the Government, according to contract, with light, heat, water, food and housing. That has always been the rule. These men, by the very nature of their contract with the Government, are required, upon receiving orders, to serve wherever they are sent.

To meet these fluctuating conditions the policy has been, and must be, that everywhere the pay shall remain the same, according to rank, but that a man shall receive that which the Government has promised to give him. A man is brought say from Prince Albert to serve here in Ottawa. Usually that is a promotion. Surely a man with twenty-five years' service and a growing family, upon promotion to the Headquarters Staff in Ottawa, ought not to be penalized because of his promotion. The Government must provide him with the same pay he was getting in Prince Albert, and must compensate him for the difference between what it costs to live in Prince Albert and what it costs to live here. For this reason, when we find that in Prince Albert he would be entitled to a house, surely he is entitled to a house here. The Government have no houses here to give him, so they give him rent instead. In Prince Albert he would be entitled to light, heat, and rations. The Government have none of those things here, therefore they must give him money.

Allowances fluctuate in the different parts of the country; they are very much greater in the Yukon than elsewhere; and where the Government have their own stores and buildings there are no allowances at all. In such places as Lethbridge and Edmonton there are no allowances because the buildings are there and rations are supplied; but when these men are brought to a place like Ottawa, where the Government have none of these things, they must be supplied in the same kind, the same manner, and the same style as they were entitled to in the place from which they came.

What difference does it make to the country, what difference does it make to any intelligent man, whether the whole amount is lumped and called salary, or whether it is shown as allowances? It makes a vast difference to the men on the Mounted Police, because the salaries, according to rank, remain the same. As it has been, so it must be. Members of this House, or those who read the Auditor General's Report, must approach the matter in view of the facts, and with the intelligence that God has given them to understand these differences.

A few of my honourable friend's observations call for reply. My honourable friend has made one or two statements, of which he is not so sure, and he has been inclined to speculate with regard to them. I am bound to tell my honourable friend that with respect to some of these matters he does not know what he is talking about. He spoke of a civilian staff here in Ottawa. I was not able to catch the honourable gentleman's figures. That civilian staff consists largely of female stenographers, filing clerks and clerks of that description, who are employed in the Headquarters office. He draws an analogy. He says the Mounted Police Force consists of 1,100 men, and that that is about the strength of a battalion, and that a battalion is managed by a staff consisting of the adjutant and a few clerks. There is all the difference in the world between a battalion in camp or in barracks—a battalion of soldiers, mark you, not policemen—and a force of 1,100 men scattered from coast to coast and from the southern boundary almost to the North Pole, in small packages and parcels of from one to a dozen men. My honourable friend thinks this staff is engaged in running the Mounted Police. Perhaps not much more than the staff of a battalion is engaged in running the Mounted Police as a force. Much of their job must consist in shipping stores and supplies to all parts of Canada, largely by means of dog trains and ships, and over impossible routes, and at stated seasons of the year. That is a big job. But I say that comparatively few men on this staff of 170 are engaged in that work.

What is the work of that staff? The staff controls, for instance, the Department of Criminal Investigation, involving the whole system of finger-print identification for the whole of Canada; the Department is also charged with the enforcement of the Narcotic Drug laws; and the whole of the Secret Service of Canada is in the hands of this Department. And yet my honourable friend

complains that 170 people are too many. Let my honourable friend walk down to the building where they are housed, and he will find them in one of the worst buildings in Ottawa; he will find that they, with their valuable records extending far back over a period of fifty years, and with their whole finger-print establishment and system for criminal identification, are housed in a building which is a fire trap and apt to burn to the ground any moment. They are housed in a building where the ventilation is so bad that a good deal of illness grows out of it; where a great work is being done by a great force, at the least possible cost, and with the greatest possible energy, the greatest possible effort, and the greatest possible success.

Now, with respect to these other suggestions for improvements which my honourable friend has made as to the best method of protecting public buildings—such a valuable suggestion, for instance, as that the Mint and other buildings should be protected by mounted men—such a thing was never heard of.

Hon. Mr. BRADBURY: I did not say that.

Hon. Mr. GRIESBACH: What did the honourable gentleman say?

Hon. Mr. BRADBURY: The honourable gentleman ought to know: he has been taking notes. If my honourable friend had been listening he would know; he told me a moment ago I did not know what I was talking about, but I am not going to retaliate in kind. What I said was that when they were removing gold from the Mint to the Parliament Buildings a mounted escort would be better than placing men in a car.

Hon. Mr. GRIESBACH: It does not make any difference. My point is this. My honourable friend has undertaken to assist these high salaried gentlemen by telling them how they should carry out the work which they have been doing for the last fifty years. He offers the suggestion that the gold should be protected by mounted men, and not by men in a car. That is a matter of Police procedure. I cannot express any opinion on it myself, but I have grave doubt that the opinion of my honourable friend is of greater value than the opinion of the gentlemen who are charged with that duty.

With regard to the whole matter, let me say again that I think my honourable friend has sought rather to put before the House the salaries and allowances, and comment thereon, rather than to complain about the system of accounting which has been in effect ever since the Mounted Police or any military force was organized, and which, in the very nature of things, will probably continue to the end of time.

Hon. Mr. DANDURAND: Honourable gentlemen, I confess that it was hardly possible for me to bring to my honourable friend from the Government an answer to the question that he put, because I did not know the ground he intended to cover by it. I have no doubt that, even without my transmitting a copy, his remarks will be read in the Department of Justice, because the Mounted Police are under the direction of the Minister of that Department. I desire simply to question the propriety of placing on record now the return which I have brought to the House. I will tell my honourable friend why. We have at present sitting a Commission on Civil Service, before which the heads of all departments or branches will be heard. My honourable friend being a member of that Committee, will have an opportunity to satisfy himself as to the reason for the method which has been followed since the establishment of the Mounted Police. If the Committee makes some recommendation for the improvement of the accounting, the matter will then properly come before the Senate. If my honourable friend were to insist upon this report being published now, it would single out a whole body of men; whereas, after hearing their chief and the Deputy Minister of Justice, he may conclude that the procedure has been quite regular and in accordance with contracts which they made individually with the Government.

Hon. Mr. BRADBURY: Honourable gentlemen, I am not going to enter into any further discussion. My view was that it might be of assistance to have a record showing the allowances as they are. My great objection is against the manner in which the items are published in the Auditor General's Report. The purpose in publishing that report is, I presume, that the ordinary layman may be able by examining it to tell exactly what the different public services are costing the country. Now, I defy, I will not say, any man, but the ordinary man, to ascertain by examining that report what any one of those men is getting in pay and allowances. He will learn the exact salary, but the allowances are so scattered that it is very difficult for the ordinary man to ascertain what they are. I protest that it is not in the public interest to pay out money in such a way that the public cannot tell how it is disbursed.

Hon. Mr. DANDURAND: My honourable friend's statement is, I think, clear enough to

make his point. I may say that, apart from the Royal Canadian Mounted Police and the Militia of Canada, the desire of the Government has been to discourage the payment to civil servants of more than one salary. It has been the expressed desire to lump together whatever the civil servant is to receive. This it may be impossible to apply to the Militia or the Mounted Police. I suggest to my honourable friend that, having stated his laudable desire that there should be but one figure, he may obtain in the Civil Service Committee such information as will satisfy him that these departments cannot come under the general rule.

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend if the document which is being discussed is a response to a motion for a return?

Hon. Mr. BRADBURY: Yes.

Hon. Mr. DANDURAND: Yes.

Right Hon. Sir GEORGE E. FOSTER: I do not know what the practice in the Senate has been, but in another Chamber returns brought down for discussion or for the information of the House are never placed on Hansard. I can conceive that to adopt such a practice would make Hansard infinitely more bulky than it is. One return may be very short and take up only a page, but another may be very long and require 20, 30 or 40 pages. The returns made by the Government, I think, go to the Committee on Printing, and the Committee decides whether the document is to be printed or not. For my part I would much prefer, if the return required to be printed, to have it printed in such a form that it could be referred to easily, rather than have it incorporated in Hansard of either the Senate or the Commons. I think we shall go a long distance if we undertake to place a return on Hansard for any one member, because then we cannot refuse to do likewise for another and Hansard will become unwieldly, if not impossible.

Hon. Mr. BELCOURT: I wish to say just a few words on this question, to object to the printing and publishing of one-sided statements on the Civil Service. It seems to me it is not at all fair to the Service, and it is not fair to the public, because they show only one side of the medal. We have, as stated by the honourable gentleman to my right (Hon. Mr. Dandurand), a Committee appointed by this House for the purpose of looking at both sides; and until this examination has been made it is undesirable to publish these statements, which are not wholly reliable, as they show only one side. On this ground I think the House should refuse my honourable friend's (Hon. Mr. Bradbury's) request to have them published. The practice of the Senate is exactly the same as in another place, and I think the Printing Committee will not have the return printed unless specially directed by the House to do so.

Hon. Mr. BRADBURY: Honourable gentlemen, in view of the opinion that has been expressed regarding the placing of this return on Hansard, I will not press the matter. At the same time I would like to point out to my honourable friend from Ottawa (Hon. Mr. Belcourt, that no reflection was made in any way on the Civil Service by anything I said. I was reflecting on the system and on the manner in which these accounts are kept. However, as has been pointed out, there is a Committee sitting and we may perhaps obtain the desired information.

The Hon. the SPEAKER: I understand it is the pleasure of the House that the documents be not placed on Hansard.

CAPE BRETON COAL MINING COMMISSION

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What is the amount per diem—(a) for services, (b) for allowances; of each member of the Royal Commission in regard to Industrial conditions in the Coal Mining Districts of Cape Breton, under chairmanship of Doctor J. W. Robertson, in 1923-24?

2. For how many days and between what dates have payments been made to each member of the Commission?

3. What are the respective amounts paid to each member of the Commission—(a) for services, (b) for allowances?

4. Are these the final payments to members of the Commission? If any accounts are still to be paid to them what is the accrued or accruing amount payable to each member of the Commission?

5. What is the total amount paid to other persons for secretarial and any other services in connection with the work of the Commission?

6. What is the total cost to the country of the Commission?

7. What was the purpose and scope of investigation to be made by said Commission as stated in the Order in Council, or instructions authorizing the Commission?

8. On what date was the report of the Commission received by the Government?

9. What steps have been taken by the Government to make the recommendations of the Commission effective?

Hon. Mr. DANDURAND:

1.	(a) For Services	(b) For Living Allowances
Dr. Jas. W. Robertson..	$35	$12
J. J. Johnston..	25	12
Fred Bancroft..	25	12

2. Dr. Jas. W. Robertson—services 95 days; living allowances 46 days; October 16, 1923, to February 9, 1924.

J. J. Johnston—services 84 days; living allowances 96 days; October 15, 1923, to February 11, 1924.

Fred Bancroft—services 81 days; living allowances 94 days; October 16, 1923, to February 10, 1924.

3.

	For Services	For Living Allowances
Dr. Jas. W. Robertson..	$3,325	$ 552
J. J. Johnston..	2,100	1,152
Fred Bancroft..	2,025	1,128

4. Yes.

5. $4,637.93.

6. $14,919.93.

7. The Order in Council of September 22, 1923, providng for the establishment of the Commission was based on a report from the Prime Minister submitting that there has been evidence of recurring industrial unrest among the steel workers in Sydney. N.S., creating conditions which occasioned the calling out of the active militia in aid of the civil power and their retention for a considerable period of time in the areas affected. The report further stated that it was desirable so far as might be practicable to avoid the possibility of a recurrence of similar conditions and that it was in the public interest that an inquiry be made into the cause of such industrial unrest and the circumstances which occasioned the calling out and the retention of the Militia in aid of the civil power in connection with the same.

8. February 9, 1924.

9. Legislation will be presented to Parliament in due course in accordance with the announcement in the Speech from the Throne referring to amendments to the Militia Act with respect to the calling out of the Militia in aid of the civil power.

CANADIAN PACIFIC RAILWAY CONSTRUCTION

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. How many miles of railway were constructed by the Canadian Pacific Railway Company in the year 1920, and open to traffic?

2. The same in 1921?

3. The same in 1922?

4. The same in 1923?

5. If any, in which Province were they constructed?

6. If so, did the Canadian Pacific Railway Company receive any subsidy for the building of those lines, and if so, what amount on eachc line?

Hon. Mr. DANDURAND:

1. 1920	Miles
British Columbia..	13.7
2. 1921	
Manitoba..	6.6
Alberta..	35.5
	42.1
3. 1922	
Quebec..	4.4
Manitoba..	19.7
Saskatchewan..	49.5
Alberta..	47.5
British Columbia..	2.4
	123.5
4. 1923	
Quebec..	66.7
Saskatchewan..	86.5
British Columbia..	16.6
	169.8

5. See answers 1, 2, 3 and 4.

6. No.

Hon. Mr. CASGRAIN: With the permission of the House, I may say that those figures do not agree with the report of the Canadian Pacific for 1923. According to the report they laid 347 miles of rail.

Hon. Mr. DANDURAND: These answers have been prepared by the Dominion Bureau of Statistics.

Hon. Sir JAMES LOUGHEED: Of what age are they?

Hon. Mr. DANDURAND: They came to me on May 12th.

Hon. Sir JAMES LOUGHEED: How far back do they go?

Hon. Mr. DANDURAND: They seem to cover 1921, 1922 and 1923. I can have these figures verified.

CAPE TRAVERSE LOBSTER FACTORY

MOTION FOR RETURN

Hon. Mr. MURPHY moved:

That an Order of the Senate do issue for a copy of all petitions, letters, telegrams, or other papers in the possession of the Public Works Department, or Marine and Fisheries Department, having reference to the removal of a lobster factory built by Edward McPherson, a portion of which is at the present time on the Government Wharf at Cape Traverse, Prince County, P.E.I., and if the Government has ordered the removal of the aforesaid building from the Government property.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Bill F3, an Act for the relief of Nora Pearce.—Hon. Mr. Bennett.

Bill G3, an Act for the relief of Albert Francis Ray.—Hon. W. B. Ross.

Bill H3, an Act for the relief of Irene Mildred Jeffrey.—Hon. Mr. Blain.

Bill I3, an Act for the relief of Florence Mitchell.—Hon. Mr. Green.

PRIVATE BILLS

SECOND READINGS

Bill E3, an Act respecting the interprovincial Railway Company.—Hon. Mr. Gordon.

Bill J3, an Act to amend the Act to incorporate the Board of the Presbyterian College, Halifax.—Hon. Mr. Stanfield.

REDUCTION OF SENATE MEMBERSHIP

DEBATE CONTINUED

The Senate resumed from May 1 consideration of the motion of the Hon. Mr. Turriff:

1. That in the opinion of the Senate it is advisable in the interest of economy and good Government to reduce the number of Senators by one third, viz., from ninety-six to sixty-four Members.

2. That this reduction should be effected by not filling any vacancy that may occur in the number of Senators representing a province until that number has been reduced by one third, except in the senatorial division consisting of Nova Scotia, New Brunswick and Prince Edward Island, as to which division special provision as to the distribution of the reduction will be required.

3. That in each appointment of a Senator made under the decreased representation it shall be provided that the Senators shall automatically retire on attaining the age of.....years.

Hon. F. B. BLACK: Honourable gentlemen, I do not intend to spend much time in discussing this motion; in fact the matter has been postponed so many times that any thoughts I had have been somewhat dissipated.

I have in my hand three newspapers published in three different portions of the Dominion of Canada, and in all those papers I read articles written by different people who were independent, not politicians, speaking before public gatherings which were not political, and all voicing practically the same sentiments. I am going to read one of these articles to illustrate what I mean. This is copied from a paper printed in London, Ontario, dated May 2nd, and contains an extract from an address given by Mr. W. F. Morgan-Dean before the Kiwanis Club. He says, in part:

Canada is the only Anglo-Saxon country in the world that is still paying the peak of taxation and that has not substantially reduced the national debt.

Canada is the most over-governed country on the face of the globe. Members and Cabinet Ministers, Senators and Speakers at Ottawa drew salaries exceeding $1,585,000 last year, while the total wage bill for 39,200 civil servants in 1923 exceeded $50,000,000. There is Government machinery in Canada sufficient to govern a nation of more than five times the country's population.

It seemed to me exceedingly strange that in three parts of Canada distant from each other in one case 500 miles and in another 1,200 miles, three people speaking on the same evening, having no political affiliation so far as we know, should give utterance to practically the same sentiments. It convinced me, and must convince every man, that there is a real desire in the minds of the people of Canada to-day for economy. It is this sentiment that I read in every paper I pick up, I hear in very conversation, and I listen to in trains, in public stores, and in city clubs. The demand for economy is constant and insistent.

Now, looking at this resolution before the House, the first section reads:

That in the opinion of the Senate it is advisable in the interest of economy and good Government to reduce the number of Senators by one third, viz., from ninety-six to sixty-four Members.

This section stresses two things—economy and good government. As to the first, the proposal as to reform is somewhat ambiguous and incomplete. My contention is that any question of alteration in the composition or status of this Chamber should come from the Government, and should have coupled with it a similar measure of reform in another legislative body which sits in this building. I am too new in this Chamber to attempt to offer any defence of this body; but it needs no defence, for one cannot read the history of Canada since Confederation without finding ample justification for the existence of this body, and a full demonstration of its value and necessity to this country.

As to the particular question of economy which is stressed in this motion before the House, I am in accord with any and every suggestion which means economy without undue sacrifice of efficiency; but I am bound to say that any suggested economy there may be in this resolution is so small that it is scarcely of interest to this body, and is of very little interest to the country as a whole.

Just before and at the time of the opening of this House there was a great deal of talk from the Government and its supporters about economy. The party press sent forth the word that salaries were to be reduced, staffs cut down, deadwood eliminated from all departments, public expenditures reduced to the minimum; in short, that a period of real economy was to be inaugurated by this Government. Parliament met, and for a few days the air was filled with the promises of savings here and savings there; but for the

last few weeks we have heard absolutely nothing from the Government or its supporters.

It seems to me that the air of Ottawa is not encouraging to economists. This is a Civil Service city; the business houses are supported by the pay cheques of those working in government offices; the newspapers depend on the advertising from the merchants who do business because of those pay cheques; hence there is naturally strong opposition by press and public in the city of Ottawa to even a suggestion of reform that carries with it any reduction in the number of public servants residing in the city. This sentiment is so noticeable that one wonders if it may not affect both government and legislators.

But the sentiment which is expressed by the newspapers in this city, and the sentiment one meets on the streets of Ottawa, is not he felling in the country at large. Never in Canadian history has there been such a demand for real economy. Never has it been so easy for a Government to refuse public expenditures for wharfs, post offices, custom houses and other undertakings. Never has a government had such an opportunity to conserve the resources of the country without offence to the people. Why? Because the people of Canada have learned by bitter experience the meaning of a public debt and of yearly interest charges. They are paying through the nose by direct and indirect taxation to such an extent that business is stagnant, and the people are leaving our farms and offices.

I want to take this opportunity to suggest to the mover of this resolution and to the leader of the Government in this Chamber certain reforms whereby very large sums of money would be saved; and I want to substantiate my statements by reading to the House a few figures. It is true that these figures have been put before this Chamber and before the public in various ways. Some six months ago I had occasion to go into this question, speaking at a public meeting in New Brunswick, before there had been as much talk in the press and by the public as there has been of late; and I want to take the opportunity of saying here, where I can speak with some responsibility, just what I said before I came to this House.

Economy, like charity, should begin at home. If we are going to reduce the salaries of the Civil Service or any other employees of the Government, it seems to me it is only proper that we should begin at the head and go down. Suggestions have been made in this House and in another Chamber that this country is over-governed, that we have too many Ministers. I quite agree with that, and the country as a whole agrees with that. It is pretty generally conceded that with 13 portfolios we could carry on the business of this country with as much efficiency and more expedition and economy than with 18, as at present.

Hon. Mr. DANDURAND: Have we 18?

Hon. Mr. BLACK: Well, there are 18 Departments. We could reduce those very well to 13. If we did that we could remove 5 Ministers of the Crown, and in my opinion give the remaining ones enough work to keep them busy and interested, and also save that much money.

Suppose we did away with 5 portfolios, there would be a saving of $10,000 each, or $50,000. That would eliminate 5 Departments. Suppose, however, that we simply cut out the cost of three Departments. Last year the cost of the Department of the Secretary of State was $203,000. No reasonable man will suggest for a moment that we have any real use for the position of Secretary of State in Canada. As to the Solicitor-General, somebody may know what he really has to do, but personally I have never yet had an intelligent answer as to any real cause for the existence of that Department in the Government of Canada.

Hon. W. B. ROSS: To let people out of the penitentiary.

Hon. Mr. CASGRAIN: He gives tickets-of-leave.

Hon. Mr. BLACK: It is a generous department in some respects, but it cost the country last year $100,000. Then we have the Department of Railways and Canals. Before the formation of the Railway Commission this Department was one of the most important and necessary in the Government; but to-day it is a mere figurehead so far as the position is concerned, and it could very readily be absorbed in one of the other departments. That department cost the Dominion $205,000 last year. The expense of operating those three departments, amounting to $508,000, could be saved altogether. The other two departments could perhaps be abolished, but they might be required to carry on with less expense the necessary work.

Next, we come to the Ministers' salaries, and the indemnities to members of Parliament and members of this House. I do not say for one moment that a member of Parliament or

a member of this House receives too much salary. I do not think they do. I further want to say that I think the members of Parliament and Senate receive very much less in proportion to the time they give and work they do than do the members of the legislatures throughout the various provinces of this country.

Nevertheless, if we are going to act with sincerity and with a desire to set an example to the people of Canada, to prove that economy is absolutely necessary, I think the proper thing to do is to suggest a reduction in the payment we ourselves receive. I would suggest that there be a 20 per cent cut in the salaries of all the Ministers that we have. Suppose we cut the list down to 13; 20 per cent cut would be $2,000 each, or $26,000 saved there. Then we have 235 members sitting in another Chamber, and by that same cut we could save $188,000 a year, and by a similar reduction in the payments to members of this Chamber we would save $76,000 a year.

Hon. Mr. DANDURAND: To what number would the honourable gentleman reduce the House of Commons?

Hon. Mr. BLACK: I would not reduce the number at all. I would simply reduce the indemnity 20 per cent. We listened to a very interesting address from the honourable gentleman from Middleton (Hon. W. B. Ross) in which he made the very pertinent suggestion that the judges of this country were receiving more than the present financial condition of this country warrants. I quite agree with him. If the suggested cut were made in the salaries of the judges that are paid by the Dominion of Canada, there would be a saving of $400,000 a year there.

There is another direction in which we could save a good deal of money, and which I very strongly recommend to the leader of the Government in this House. Last year we paid for rentals alone in the city of Ottawa $678,000, not including upkeep. If the Civil Service were reduced to the same standard and the same number of employees as we had in 1914-15, the first year of the war, the vast majority of the buildings we are now renting in the city of Ottawa would not be required. There is no sensible reason why that sum of $678,000 should not be reduced by at least $500,000. A reasonable exercise of economy, a sensible looking after housing conditions, using the buildings the government already own, and doing away with rentals which we do not require, would effect this saving.

Then we go on to those buildings which are rented by the Government in cities like Montreal, Toronto, St. John, Halifax, Winnipeg and Vancouver, and smaller cities and towns in this Dominion. Most of those buildings are rented; some of them are used, and some are not. Buildings owned by the Government are only half utilized. Another $500,000 could surely be saved by a careful business scrutiny of the buildings rented by the Government outside of the city of Ottawa. In other words, it is a simple matter of using ordinary business intelligence to save $1,000,000 in rentals yearly to the people of Canada. I do not think the present Government is responsible for this state of affairs; I think it is an inheritance of both governments.

At this late hour I do not intend to go into the question of Civil Service, but if that service were put back to the basis of 1914-15, comparing the cost of the Civil Service in that year and to-day, there would be a saving of a little over $15,000,000. According to the figures given in the Blue Books the total is considerably more than that; but taking into account the increased cost of living and the necessary increase that must be paid to Civil Servants so that they may live comfortably, there would still be a saving there to the people of Canada of $15,000,000.

These figures which I have given so far amount to $17,248,000.

Now, I want to come to another very fertile field for saving, and that is the Canadian National Railways. Last year there were 99,520 people employed in the Canadian National Railways, according to the railway returns brought down a few days ago. The total amount of salaries paid was $140,515,907. The average pay of the railway employees was, I find, $1,510. The average pay is not high; undoubtedly some people are getting a great deal too much, but the ordinary man I think is not getting a bit too much. I would suggest to the leader of the Government in this House, and through him to the Government, that the same cut which I proposed in regard to Ministers and members of the Senate or of the House of Commons should be applied to the employees of the Canadian National Railways, who are receiving over $3,000 a year. They are employees of the Dominion of Canada. If you take those men in the Canadian National railways who are receiving from $3,000 up to $50,000 a year and make a moderate cut of 20 per cent in their salaries, you will save to this country something over $15,000,000.

If you add that $15,000,000 to the $17,248,000 which we had before, there would be a saving of $32,248,000—a very considerable sum, and one which would go a very long way towards making the people of this Dominion think that there was really some

economy in the air at Ottawa, and that some time the enormous burden of taxation would be brought to an end. It would give to the business of this country an impetus that nothing else will, because it would lead those engaged in business to believe that some time they might venture on new developments without all the profits being taken to pay interest on our rapidly increasing capital debt.

There is another suggestion which will be discussed later by members of this House. If any honourable gentleman in this Chamber, or the other, will take the Estimates and go over the proposed expenditures he must be a very poor financier and a very credulous man who cannot put his finger on expenditures amounting to $50,000,000 which are not needed and for which there is no warrant. Time was when we had no debt: we had no debt in this country before the war. Time was when we had no taxation: there was no real taxation before the war. In those days the country could afford frills and furbelows, and could build wharves and post offices where they were not needed, and could put magnificent customs houses where very small buildings would have answered. But that time has gone by, and I suggest to the Government that if they will very seriously consider the Main Estimates before the supplementaries come down—because when they come down I have no doubt another $30,000,000 or $40,000,000 will be provided for—they will find an additional $50,000,000 which can be saved.

While those savings are entirely within the province of the legislature of the Dominion of Canada, I want to say, honourable gentlemen, that if we seriously put our shoulders to the wheel and really decide to effect reasonable economies, which would save $82,000,000 in one year to this country, the effect would be enormous. If the Canadian National railways, reduce the pay of their ninety odd thousand employees—and they can do it, because the railway men are reasonable men who, if they see that the rest of the people of Canada are economizing will be willing I have no doubt to do their share—then the Canadian Pacific railway would do the same thing, and naturally would be very glad to do it. That would be another demonstration of economy to the people of Canada. If the members of the two Chambers of Parliament decided to reduce their own salaries, what would be the effect on the legislators of the various provinces? There would be a similar reduction in the salaries or indemnities paid to the members of the various legislatures, and in that way $4,000,000 would be saved to the people of Canada. Such a movement could not be resisted; public opinion would be so strong that the reduction would have to be made. The same spirit would spread all over the Dominion of Canada, and it would become necessary for the provincial Governments to cut down their staffs and to reduce unnecessary expenditures. The result of such a policy as I have suggested would mean that instead of a saving of some $82,000,000, there would be saved to the taxpayers of Canada over $100,000,000 yearly.

So far as the country is concerned, for the first time in my life the people are ready for economy. It is true that members have been willing to see economics made in other directions, but have wanted all they could get themselves; but to-day they do not want it quite as badly as usual, and are not insisting quite as vociferously as they have done, because they know that if they did they would be committing a crime against the taxpayers of Canada.

That, honourable gentlemen, is all I have to say with regard to the motion introduced by the honourable gentleman from Assiniboia (Hon. Mr. Turriff) for the reform of this Chamber. I am quite aware that I have gone beyond the particular field that he suggested; but my justification is the fact that in his motion he emphasized economy and good Government. We can only have economy and good Government in this country by reducing our overhead expenses; by doing away with the pork barrel, by eliminating unnecessary expenditures and getting down to the condition in which every business man in Canada finds himself to-day, where he has cut down overhead and living expenses, has done away with extra automobiles, whether used for business or pleasure, and has got down to the bare necessities in an endeavour to carry on until such time as business conditions improve and allow him to go on and develop. Such a policy is more necessary in the Government of the country that it is in a private corporation, and the only way in which this Government will get back to level ground will be by exercising that common business sense that is used by the business houses of this country.

Hon. Mr. DANDURAND: The honourable gentleman has suggested that the two large railway systems should reduce all salaries in excess of $3,000, by say 15 or 20 per cent. I did not notice that the honourable gentleman applied the same suggestion to the Civil Service.

Hon. Mr. BLACK: I mentioned the fact that putting the Civil Service back on the basis of 1914-15 would save $15,000,000. I

did not suggest any particular reductions because there is a Committee of this House which has the question before it, and being a member of that Committee, I thought I had better not suggest any reductions in that regard.

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

DAYLIGHT SAVING

Hon. Mr. DANDURAND: Honourable gentlemen, I do not know whether the House of Commons has adopted the advanced time.

Hon. Sir JAMES LOUGHEED: Yes, Daylight Saving time.

Hon. Mr. DANDURAND: The city of Ottawa has advanced the clock an hour, I understand, and I suppose we may do likewise.

Hon. Mr. DANIEL: Our clock is already ahead.

Hon. Mr. DANDURAND: Then we will sit to-morrow at 3 o'clock by the advanced time.

The Senate adjourned until to-morrow at 3 p.m., daylight saving time.

THE SENATE

Wednesday, May 21, 1924.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill Y3, an Act for the relief of Evelyn Eira Awrey.—Hon. Mr. Smith.

EXTRA ALLOWANCES TO GOVERNMENT EMPLOYEES

QUESTION OF PRIVILEGE

On the Orders of the Day:

Hon. Mr. MURPHY: I rise to a question of privilege. An item appears in this morning's Ottawa Journal under the title, "On the Hill Day by Day." It says:

Then followed Senator Murphy with the idea that certain Government employees were living on the scale of Senators—drawing salaries and allowances at the same time.

Honourable gentlemen will remember that last night a discussion of the Civil Service and the Militia was initiated by a worthy member of this Chamber, and was attacked from the other side of the House. Honourable gentlemen will bear me out in saying that I had nothing at all to say in the matter; and I only wish the credit to go where it is due.

Hon. Mr. BRADBURY: I sincerely hope that some day the honourable gentleman will be able to take credit for doing something.

Hon. Mr. MURPHY: This is not a serious matter, but as it takes credit from a brother Senator and gives it to me, in justice to that gentleman's prowess I think it is only right that I should bring it to the attention of the Senate.

SUNNYBRAE-GUYSBOROUGH RAILWAY

INQUIRY

Hon. Mr. TANNER: I wish to direct the attention of the leader of the House to an inquiry on the Order Paper in regard to the Guysborough and Sunnybrae railway which has been standing since the 29th of April. I want to be as patient as I can in regard to this information, and I readily acquit my honourable friend of any responsibility for the delay; at the same time, I want to point out to him, and I hope he will point out to the responsible persons, that the questions asked are based upon an official statement which is quoted at the beginning of the inquiry. If my honourable friend will look at the quotation he will see that this is so. The position, therefore, as I see it, is this: The person or persons who compiled the official statement which has been submitted to Parliament either knew or did not know what they were reporting; and if they knew what they were reporting, they should be competent to answer my questions, and answer them promptly; if they did not know, they should not have made the statement at all.

This is not a new matter. The Guysborough-Sunnybrae Railway is one which, to my personal knowledge, has been in course of construction for from thirty to thirty-five years. The first time I had the honour of being elected to the legislature of Nova Scotia, in 1894, it was publicly announced in that province that the road was being constructed—the Government newspapers announced that it was actually under construction. During every election after that time —and I contested many—that railway was being built. The Government of Nova Scotia, to my personal knowledge, has expended at least $100,000 in laying out experimental, exploratory and location surveys. I have been through the district of the Garden of Eden, and Sunnybrae, and East River St.

Mary's when farmers could hardly do their work for location pegs. I am not speaking of anything I have read; I have seen them with my own eyes.

If this is going to be a railway with wooden cross-beams and steel rails, upon which passenger trains are to run, well and good, I want to give the proposition fair consideration, and want to have a knowledge of it; on the other hand, if it is to be an election hot-air railway, I want to know it. In nine or ten elections I have run against the hot-air railway. Now I want to know what we are going to have, and I should like the gentlemen who prepared this official statement and sent it to Parliament, and who profess to know all about it, to answer the few simple questions which I have submitted. I have waited nearly a month for an answer, and I think I have waited long enough; and I would respectfully ask the leader of the Government to suggest to these gentlemen of the National railways that they should disclose the information without any further delay.

Hon. Mr. DANDURAND: This morning, in looking over the Order Paper and finding only the question of my honourable friend, I felt some pride at having almost cleared the Order Paper. I telephoned to the Railway Department in hopes of getting an answer to the honourable gentleman's question this afternoon. I confess that I had not read the matter contained in the inquiry, and was not altogether familiar with it as my honourable friend does not always read his notices loud enough for us to hear them on this side of the House. Now that I know that he is very much interested in this question, I will try again to obtain an answer.

Hon. Mr. TANNER: I am not finding fault with my honourable friend at all, but with the people who know or who do not know.

WINNIPEG UNEMPLOYMENT RELIEF

INQUIRY

Hon. Mr. McMEANS: I would like to ask the leader of the Government if he can give the House any information as to whether it is the intention of the Government to pay to the city of Winnipeg what is justly due on account of unemployment relief expenses incurred in 1922-23. I understand that every other city has been paid.

Hon. Mr. DANDURAND: I would suggest that my honourable friend put a question on the Order Paper, so that I may be armed with some data.

Hon. Sir JAMES LOUGHEED: That will be a good way of delaying it.

DIVORCE BILLS

THIRD READINGS

Bill F3, an Act for the relief of Nora Pearce.—Hon. Mr. Bennett.

Bill G3, an Act for the relief of Albert Francis Ray.—Hon. W. B. Ross.

Bill H3, an Act for the relief of Irene Mildred Jeffrey.—Hon. Mr. Blain.

Bill I3, an Act for the relief of Florence Mitchell.—Hon. Mr. Green.

SECOND READINGS

Bill K3, an Act for the relief of Ruth Ethelind Jackes.—Hon. G. V. White.

Bill L3, an Act for the relief of Wilfrid John Mitchell.—Hon. Mr. Haydon.

Bill M3, an Act for the relief of Edward James Bentley.—Hon. W. B. Ross.

Bill N3, an Act for the relief of Elizabeth Sylvia Cameron.—Hon. W. B. Ross.

Bill O3, an Act for the relief of Wilhelmina Aird McKay.—Hon. Mr. Blain.

INDUSTRIAL DISPUTES BILL

CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

Commitee of the Whole House on Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I move that we go into Committee.

Hon. Sir JAMES LOUGHEED: The honourable gentleman from Welland, the ex-Minister of Labour (Hon. Mr. Robertson), is very much interested in this Bill, and having been called away to the United States on an important engagement, he has asked me to request the House to have this Bill stand over until the beginning of the week. I presume my honourable friend will have no objection to that.

Hon. Mr. DANDURAND: We will put it down for Tuesday next.

The Order was postponed.

TICKET-OF-LEAVE BILL

SECOND READING

Hon. SMEATON WHITE moved the second reading of Bill A2, an Act to amend the Ticket of Leave Act.

He said: Honourable gentlemen, in moving the second reading of this Bill, I would like to put a note on record as to the meaning of the term "ticket of leave" as originally understood.

This term was first invented in the days of Australian transportation. In the English penal system a document or pass was handed to a convict who had completed the second stage of his sentence and was about to enter his third and last stage, that of conditional liberty or semi-freedom in which he went at large to earn his own livelihood as a more or less independent member of the State. The ticket of license was the outward sign of remission gained by industry and blameless conduct in prison, and had to be forfeited for disobedience or neglect of certain conditions shown on his license.

It will be noticed, honourable gentlemen, that in the early days of the practice of granting tickets of leave, the prisoner had to serve at least two stages, and it was only after the second stage that the ticket of leave was granted. The purpose of the Bill which is now before us is, if possible, to make it necessary for the prisoner to serve at least half his sentence, in order to be eligible for a ticket of leave. The practice of allowing prisoners out after they have served a very short portion of their term has apparently grown. This Bill does not in any way interfere with the right of the Crown to pardon a prisoner and to allow him freedom at any time; but it would appear that prisoners had been let out or granted their freedom under the ticket of leave system rather than under the pardoning system.

I move the second reading of the Bill.

Hon. Mr. CASGRAIN: Could the honourable gentleman tell us when the ticket of leave system commenced?

Hon. SMEATON WHITE: It originally started when Australia was being colonized.

Hon. Mr. CASGRAIN: I mean in Canada.

Hon. SMEATON WHITE: I think the Ticket of Leave Act is eleven or twelve years old. It is comparatively recent, I believe.

Hon. Mr. DANDURAND: Honourable gentlemen, I had occasion to administer that Act for three months recently when the Minister of Justice was absent and when there was no Attorney General available in Ottawa. So I have had a little practice in the administration of that Act. I may say that there are general rules which govern the granting of the ticket of leave by the department, and it is seldom indeed that the issue of the ticket of leave is justified before half the sentence has been carried out.

When my honourable friend introduced his Bill I asked the Department of Justice for a statement of its views, and I now have the opinion of the Deputy Minister. It is very concise and I shall read it:

As to A2, entitled "An Act to amend the Ticket-of-Leave Act," the power of the Governor General in the administration of the prerogative of mercy is unfettered, and the intention of the Ticket-of-Leave Act was to provide a means whereby convicts who prove themselves deserving may be released on probation, subject to such conditions as may be prescribed, either general or special, for the particular case, and subject also to the authority of the Governor General at any time to revoke the license. In this manner the convict is kept under observation and remains liable actually to serve his sentence throughout the whole term, and at the same time is afforded an opportunity to make good if so disposed, and it was thought that the interest of the prisoner and the public safety would be better provided for and protected under this system of conditional freedom than in the alternative by the exercise of the power of clemency, whereby such mistakes as are liable to occur in the administration could not be rectified by the recall of the prisoner. It would, I should think, be inconsistent with elementary principles of justice that the prerogative of mercy should be taken away or restricted. Cases can be imagined in which the power should be exercised immediately, and that has been done even in a capital case. If experience under the Ticket-of-Leave Act has shown that it is not productive of good results it would, I suppose, be logical to repeal it, but I cannot think of any principle by which it should be declared inapplicable to convicts who have not served half time. One result of such a provision would be that a convict during the first half of his sentence would remain subject only to the prerogative powers, and in the event of the exercise of these powers the community would be denied the protection, such as it is, which the ticket-of-leave affords. I am satisfied that if the ticket-of-leave be good for the second half of the sentence it is equally good for the first half, but of course, like any other discretionary power, it ought to be administered with due regard to the facts and circumstances of the case.

The argument is before the House. I would vote for the second reading with some diffidence were it not for the fact that when the Bill has been read the second time it can be referred to one of our standing committees and there will thus be an opportunity to hear the departmental officials who are administering the Act and to obtain from them the more intimate information which they can furnish.

Hon. Mr. CASGRAIN: The honourable gentleman says he administered the Act for three months. Does he know of anybody let out on ticket of leave who was sent back to jail?

Hon. Mr. DANDURAND: Yes. I signed certainly three, and perhaps half a dozen, such orders.

Hon. Mr. CASGRAIN: As a rule, those people let out on ticket of leave carry on just the same afterwards as before.

Hon. Mr. McMEANS: They have to report once a week.

Hon. Mr. CASGRAIN: They report once a month, or once a week, as the case may be, but they carry on their nefarious work just the same while they are out.

Hon. W. B. ROSS: Worse.

Hon. Mr. CASGRAIN: The important point is that the time during which the convict is out should not count against his sentence if he is sent back again. A man is sentenced, say, to three years. He ought to know that if he is let out for part of that time and then is put back, because he has behaved badly, he will have to serve his full time and it will not include the time he has been out.

Hon. Mr. McMEANS: I think that what the honourable leader of the Government has suggested would be the proper course in dealing with this Bill. Already two Bills to amend the Criminal Code have been introduced in the Senate, given second reading, and referred to a special committee. I for one would be very glad of the opportunity to obtain some information with regard to the way in which this Ticket of Leave Act is administered. I know myself of a very recent case in which a man was convicted for an assault upon a woman and was sent to penitentiary for five years. It was before the Criminal Appeal Act went into force. An appeal on a point of law was taken before the full Court of Appeal of the Province of Manitoba, comprising five judges. They examined into the case very particularly, came to the conclusion that the man was guilty, and would not interfere. In side of two or three weeks that man was walking about the city of Winnipeg free; and I was told by one of the judges of the Court that he had written to the Department of Justice asking them if they would give him any reason why a man who had been convicted and sentenced, and had his case retried before the Court of Appeal, was now walking around the city of Winnipeg free.

Hon. Mr. DANDURAND: When was that?

Hon. Mr. McMEANS: It was about two or three years ago. And the answer came back from the Department of Justice that it was a very serious thing to question any decision that had been arrived at by that very august body. That was all the answer he could get.

In my opinion, one of the great objections to the system is that the investigation is held behind closed doors, it is altogether a private arrangement, and is open to influence. I would not for one moment accuse the Department of Justice, or the Government of the country, of being influenced in letting a man out of prison, but I do know this, that a great many people have recently had their sentences remitted, or been given tickets of leave, and I as one member of this Chamber would be very glad to have the matter considered in committee, so that we might call upon the officials in charge of the branch of the Department concerned and get some first-hand information. I would be glad indeed to have the opportunity of moving that the Bill be referred to the same Committee that is dealing with the other matters; that is, if there is no objection to the second reading of this Bill.

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend a question? In the case of the man to whom he has referred, was the ticket of leave granted him here without any reference to the judge who sentenced him?

Hon. Mr. McMEANS: I can give my right honourable friend the name of the judge. The case went up to the Court of Appeal and the sentence was confirmed, but the convict was walking around the city of Winnipeg a free man in a short time. I will limit it to one month, but I will say it was within two months. The judge wrote to the Department asking for what reason the man was now at liberty—

Right Hon. Sir GEORGE E. FOSTER: That seems to be the practice, then.

Hon. Mr. McMEANS: —and the answer came back—it was not under this Government; it was under the former Government—

Hon. Mr. DANDURAND: That does not matter.

Hon. Mr. McMEANS: That does not make any difference, however. The answer came back in words to this effect, that it was very extraordinary, or very unusual, to ask the Department of Justice for any reason for what they had done.

Hon. Mr. DANDURAND: I have had the advantage of seeing hundreds of records. Every day they are piled up on the desk of the Minister administering that Act, because, as I understand, every man detained in jail or penitentiary, if he has not misbehaved, has a right to renew his application yearly. I have seen records of men applying to the Department for clemency five, six, seven, ten times, in as many years. I have never seen a record that did not contain a report from the magistrate or judge who had made the conviction, and a report from the warden of the penitentiary giving particulars regarding the individual.

Hon. Mr. McMEANS: Then this must have been a very exceptional case, but it is true.

Hon. Mr. CASGRAIN: People are constantly coming to my office in Montreal and asking me to sign requests for tickets of leave.

We are receiving such requests all the time, and the lawyers representing persons who have been sentenced tell a pitiful story. They say, for instance: "This man was the bread winner. His wife is starving and his little children cannot go to school, for want of this or that." It is hard to refuse your signature, and you sign although it has cost the country money to put him where he is.

Another point I would like to mention is this. The honourable gentleman to my right (Hon. Mr. Dandurand) states that the Minister of Justice deals with these matters. The other day, in connection with a case of this kind, I went to the Minister of Justice, and he told me he had nothing to do with the ticket of leave; that it was the Solicitor General who dealt with that.

Hon. Sir JAMES LOUGHEED: My honourable friend (Hon. Mr. Dandurand) in speaking of the administration of the Act left an impression, I think, on the minds of honourable members that one of the advantages of the ticket of leave was that a prisoner might look forward to getting a reduction of his sentence by good conduct, and so on. What I would like to know is, what is the system or practice of the Department as to securing reports upon the conduct of prisoners? Has the initiative to be taken by the prisoner himself, or does the jailor report systematically to the Department of Justice upon all prisoners? It seems to me that if a prisoner has to take the initiative himself for the purpose of securing a reduction of his sentence or invoking the advantages of the ticket of leave, that is a very mischievous policy to set in motion. It might be invoked by political or party influence or by other pressure brought to bear upon the authority having the right to issue the ticket of leave. Such a system should not be in vogue, and I think we cannot too strongly express our disapproval of anything of the kind. There should be a system that would operate equitably in behalf of all prisoners, so that the friendless prisoner, or the prisoner who could not invoke pressure, would have as good an opportunity of having his case brought to the attention of the Minister of Justice, or the Solicitor General, or whoever may administer the Act, as the man who can marshal all the forces of influence on his behalf, as has been done. I think one is justified in saying that it is only in cases where convicts can secure the influence of someone in authority that the advantages of the Act are extended to them. This should not be so, and if this Bill is to be referred to a committee, I would ask my honourable friend to submit to the Department of Justice these considerations, with the recommendation that some system be adopted which would be applicable to all prisoners and by which, automatically, the status of each inmate of a penitentiary or jail, as the case might be, would be considered by the Department, and not left to those who could set in motion the machinery of political or other influence.

Hon. Mr. LYNCH-STAUNTON: Is any report made, and placed on public file, showing the reasons why these tickets of leave are granted? Is not a report made on each case, so that the action taken may afterwards be justified?

Hon. Mr. DANDURAND: No, these are matters which, by general consent, have not come before Parliament.

In answer to my honourable friend (Honourable Sir James Lougheed) I may say that during my term of office I did not see any general report from the warden of a penitentiary upon the inmates of the institution, but I have repeatedly seen the machinery of the ticket of leave system set in motion by a written application from the prisoner himself or some member of his family outside. I do not recollect having seen any representations from the warden to the Department regarding the advisability of issuing a ticket of leave when it was not asked for.

Hon. Sir JAMES LOUGHEED: Pardon me for answering what has just been said. I think it can safely be said that a large percentage of the inmates of penitentiaries or jails are entirely unaware of this system.

Hon. Mr. DANDURAND: Perhaps so.

Hon. Sir JAMES LOUGHEED: They do not know of these provisions being on the statute book. The obligations of the ticket-of-leave system should not be thrown upon the jailer, or left to his discretion. There should be in the Department of Justice a system by which he would be compelled to report on all prisoners. For aught we know, prisoners may die in jail or penitentiary, after years of confinement, without ever having been at all aware of the advantages which might have been extended to them if the obligation had been placed upon the jailer to report on their case.

Hon. Mr. DANDURAND: I appreciate the point made by my honourable friend. I desired simply to tell him what were the facts as they came before me. I think his suggestion is one that might well be discussed

in Committee when we have the proper officials before us.

Hon. Mr. McHUGH: Honourable gentlemen, I have had some little experience with regard to the ticket-of-leave, in applying to the Department of Justice to have people let out of prison, and I think the Department follow a well defined rule in dealing with applications. A petition is signed by the people in the locality where the crime was committed, or where the prisoner lived, and it goes to the Minister of Justice. He writes to the Governor of the prison where the convict is confined, asking for a report on the conduct of the prisoner since coming under his charge. The Minister also gets a report from the jail in which the prisoner was confined before the trial—

Hon. Mr. DANDURAND: And from the magistrate as well.

Hon. Mr. McHUGH: And the convicting judge or magistrate is asked for a report as to whether there were any circumstances that did not show in the evidence, or any reasons why he might think the prisoner was entitled to leniency or clemency. On these reports the Government act. I think that is a well defined policy with the Government. I have never seen, nor had anything to do with, a case coming before them in which that rule was not followed.

Hon. Mr. BENNETT: I think inquiry would show that very many prisoners, if not the majority, are released before their terms expire, if their conduct has been exemplary.

Hon. Mr. McMEANS: They get 25 per cent off the sentence anyhow.

Hon. Mr. BENNETT: But it is all dependent upon their conduct while in prison. Such being the case, there is a good indication that prisoners have been dealt with fairly well. However, I quite agree with the honourable leader of the Opposition that there should be a definite principle laid down.

Hon. Mr. McMEANS: I would like to ask the honourable leader of the Government if he could give the Chamber a definition of the difference between the exercise of the prerogative of mercy by the Crown and the granting of liberty under the ticket of leave system. As I understand it, the Government at present, without regard to the Ticket-of-Leave Act, can pardon a convict or remit his sentence. They keep him in for a day and then let him go, without any ticket of leave. Even if the present Bill became law, the prisoner would not have to serve one-half his sentence. That would not affect in any way the power of the Government to let him go free the day after he was convicted.

Hon. Mr. DANDURAND: Certainly not.

Hon. Mr. McMEANS: Perhaps the honourable gentleman could tell us, from his experience, the difference between an application under the Ticket-of-Leave Act and the exercise of the prerogative of mercy.

Hon. Mr. DANDURAND: In the latter case no application comes to the Department of Justice, because of the Ticket-of-Leave Act applying. It is far more difficult to obtain a pardon than a ticket of leave.

Hon. Mr. McMEANS: There is a remission of the sentence.

Hon. Mr. DANDURAND: There is an absolute remission of the sentence. In the limited experience I have had, no application has been made for the exercise of the prerogative of mercy; the application has always been under the Ticket-of-Leave Act.

Hon. Mr. BELCOURT: My honourable friend (Hon. Sir James Lougheed) has not indicated any way in which the exercise of political influence could be prevented.

Hon. Sir JAMES LOUGHEED: I am not objecting to that; I am objecting to the failure to exercise influence on behalf of those who do not know anything about the privilege.

Hon. Mr. BELCOURT: The application is made either under the general Royal prerogative of granting pardons or commuting sentences, or under the special statute granting tickets of leave. In either case I do not see how you are going to prevent intervention—and in some cases it would not be desirable to prevent the intervention of the people in the locality from which the prisoner comes. The people may be interested in preventing a man coming out, because they do not believe he is going to mend his conduct; or they may be interested in getting him out because they think he is going to improve. I do not see how you are going to prevent the people petitioning.

Hon. Sir JAMES LOUGHEED: I do not protest against that. What I ask is a periodic consideration by proper authorities of the sentences of all convicts.

Hon. Mr. CASGRAIN: Only in penitentiaries?

Hon. Sir JAMES LOUGHEED: In gaols, if necessary.

Hon. Mr. BELCOURT: I understand that my honourable friend's purpose is to prevent political or party influence.

Hon. Sir JAMES LOUGHEED: Oh, no. I did not suggest that. What I suggested was that this seemed to be a most satisfactory way of securing clemency for a convict; but, unfortunately it does not apply to those who cannot invoke it, and who have no way of bringing their cases to the ears of the proper authorities. I see no reason why there should not be a systematic consideration of the sentences of every convict in every penitentiary and every gaol, so that if there are palliating circumstances or mitigating conditions they could be taken into consideration and the sentence accordingly reduced.

Hon. Mr. BELCOURT: My honourable friend's idea is that there should be a time fixed when some men in the Department should go over the list and take care of those men.

Hon. Mr. GORDON: I cannot see why the conduct of a prisoner while in prison should be the basis of his release. For instance, a man is committed to prison for forgery, and during the time he is imprisoned his conduct is excellent; but how are you to know that if you release him because of his good conduct in prison he will not commit a similar offence again? I have in mind a case of that kind which occurred not very long ago, a case in which I was in a way, one of the victims of the forger. He had been in prison for only a few months, when in some mysterious way he was let out on ticket of leave. Within two weeks of that time he proceeded with his usual business again and defrauded people who were less able to bear the loss than were those who had to bear it in the first place. Since that time that man has not been found; he is away. I claim that you cannot base the release of a prisoner on the conduct he has displayed while in prison. I can understand that if a man had a fairly good reputation before he went there, and it was a first offence, and he had dependents on him who were starving while he was there, some clemency might be exercised; but in the case I have referred to the man was a young man who had no dependents.

Hon. Mr. McHUGH: I would like to ask the honourable gentleman if a petition signed by the people in the community where the crime is committed is not the starting point for the action of the Minister of Justice? If a man has not had a good character, are the people going to support a petition for his release? I think one reason why some cases are not looked into is because the people do not take sufficient interest in them; the conduct of the prisoner may have been such that the people in the community think he is getting what he deserves. But there may be other cases in which people may think that a man is sufficiently punished when he has served half his term. They sign a petition to the Minister of Justice, and he sends out a request to the trial judge or the magistrate, and to the governor of the gaol or penitentiary where the prisoner is confined, and upon a favourable report from them the Department takes action.

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

REDUCTION OF SENATE MEMBERSHIP

THE DEBATE CONCLUDED

The Senate resumed from yesterday consideration of the motion of Hon. Mr. Turriff:

1. That in the opinion of the Senate it is advisable in the interests of economy and good Government to reduce the number of Senators by one-third, viz., from ninety-six to sixty-four Members.

2. That this reduction should be affected by not filling any vacancy that may occur in the number of Senators representing a province until that number has been reduced by one-third, except in the senatorial division consisting of Nova Scotia, New Brunswick and Prince Edward Island, as to which division special provision as to the distribution of the reduction will be required.

3. That in each appointment of a Senator made under the decreased representation it shall be provided that the Senators shall automatically retire on attaining the age of.....years.

Hon. Mr. DANDURAND: Honourable gentlemen, after looking around to see whether any other member desired to speak on this motion, and having seen no one rise to his feet, I will for the third or fourth time address myself to the question of Senate reform. The honourable gentleman from Assiniboia (Hon. Mr. Turriff) suggests reforms that are modest indeed. In my time I have heard much more ambitious reforms proposed.

During the recess I took the opportunity to go through three debates on this question—two in this Chamber and one in the House of Commons. They were all academic discussions containing proposals ranging from the abolition of the second Chamber to the present suggested modification. The speeches made bear uniformly and especially on the method of appointment and the term of office of Senators. I have read the opinions expressed by some twenty members of this Chamber, and perhaps seven or eight members of the other Chamber, and I find that all the plans suggested in either Chamber had some merit; but that when they are

weighed they seem to contain some demerit also. When one reads the various expressions of opinion as to the method of appointment and the limiting of the terms, one realises that it is somewhat difficult to get a majority of members of either House to agree upon a system of modification. This would bring one to the conclusion that it is the part of wisdom to move slowly in this direction.

Men of standing in both Chambers have confessed that more than once they have had occasion to alter their views on the constitution of the second Chamber. This shows the difficulty of the problem. I may say that I glanced over some remarks which I made in the session of 1908, and I would like to take the liberty of revising my own views on that point. I was then inclined to side with the opinion of Sir John A. Macdonald as expressed in the debates of Confederation, when he stated what would be his ideal Senate. One of the virtues or qualities which he would look for in an ideal Senate is that it should be sympathetic to the Government of the day. Constitutionally, perhaps, he was on solid, orthodox ground because the Government is supposed to represent the will of the people, and this being a democracy, Government by the people must prevail. Yet, in practice, I have come to the conclusion that perhaps Sir John A. Macdonald's opinion in this regard is open to question—and I must confess that I have somewhat altered my views because of the human feelings and failings of members of the upper Chamber.

Our main duty, I take it—and I do not suppose this opinion will be controverted—is to try to improve the legislation that comes from the other Chamber; and perhaps a sympathetic Senate would be prone to say amen to legislation coming from that Chamber. To-day I would rather see a Senate in a critical state of mind, with a leaning, perhaps, the other way. This does not mean that in the carrying out of the ordinary policy of a Government the upper Chamber should presume to substitute its views for the will of the popular Chamber. If that were done we would soon be told that the people appoint their own representatives directly to the popular House.

We hear considerable discussion at times in and out of Parliament, of reforming this Chamber; but I find that generally the opinions expressed are based upon a lack of knowledge, and in some cases, on a total ignorance of the work done by this Chamber.

I would like to cite the opinion of an old Parliamentarian who had been for fourteen years in the House of Commons, a man who was fairly inclined to criticize and to question the maintenance of the second Chamber. I refer to the late honourable Mr. McMullen who was with us for a number of years. Here is what he said in 1908 in a debate on his own motion suggesting some reforms in the Senate. His motion was:

> That in view of the agitation regarding the services rendered by the Senate as a part of our legislative system, and in view of the criticism both in Parliament and in the press with respect to appointments to this Chamber, it is, in the opinion of this House, desirable that the question of the method of appointments and the terms for which appointments are to be made in future, should be considered, and the system recast.

In the course of his remarks in support of that motion he said:

> I went carefully over the business of the Senate last session, and found that notwithstanding the number of members in the Commons, and the large Committees appointed there for the purpose of sifting the clauses of Bills introduced in that body, it was necessary to amend those Bills when they came to us. We made no less than 203 amendments to Bills sent to us, and 47 of these amendments were made to Government bills. So, after all, this House has been doing work, but the press and the Commons do not seem to realize it. The Bills are amended here and go back to the House of Commons; the amendments are read and concurred in, and that is all the notice that is ever taken of the work done in this Chamber.

The Senate—and I think I speak with some degree of experience, and that many of my colleagues will support this statement—may from session to session materially modify Bills coming from the other Chamber. We may add a number of clauses to a Bill—sometimes a dozen, or more, as in the case of the Bankruptcy Act last session—and the Commons, receiving those amendments, which are read at the Table, will accept them without any discussion. What does that mean? Does it mean that the Commons are indifferent or careless? Is it not, rather, a mark of confidence in the upper Chamber?

My honourable friend from Assiniboia (Hon. Mr. Turriff) suggests a reduction by one-third in the number of Senators, and he bases his argument mainly on the necessity of economy. No doubt the Senate could function with a reduced membership, and I have known men of standing to suggest that the membership should be reduced. I may quote Sir Wilfrid Laurier who, in the session of 1906 or 1908, expressed an opinion in favour of a reduction of the membership of the Senate to six members per province—following the American system of an equal number for each state—which would give this Chamber 54 members. The right Honourable junior member for Ottawa (Right Hon. Sir George E. Foster) who followed in that discussion, somewhat dissented from the view that the American system should be followed; yet he

was inclined to favour a reduction in the membership of the Senate, and suggested that it could well function with half its then membership, and added that such a reduction would make for an improvement in the Chamber. The honourable gentleman did not stress that point, so I do not know his views as to how the Chamber would be improved.

Now, if we are to move towards a reduction in the number of members in this House, with a view of effecting economy, I would suggest that we should consider a proportionate reduction of the membership in the House of Commons also, because in that House to-day there are 235 members, and under the last census there will be an increase of 10. I believe that perhaps business would be handled more expeditiously by the Commons if that number were cut down by half.

Hon. Mr. DAVID: It would shorten the speeches.

Hon. Mr. DANDURAND: I suggested that once during this session. But when it comes to a motion, introduced in this House, which means that a resolution should be adopted by both Chambers and sent to the Imperial Parliament for the sole purpose of having the membership of the Senate reduced by one-third, on the score of economy, I do not believe that it is worth amending the Constitution for the sake of the small saving that would be affected.

Now, as to the age limit, which is the other point raised in the motion before us, I may say that many have favoured it. Sir Wilfrid, in that debate which I mentioned, suggested the limited mandate. He mentioned from ten to fifteen years. And my right honourable friend, in the same debate, seemed rather to agree with the then leader of the Government by suggesting that the duration of two Parliaments would perhaps be sufficient. The age limit suggested by the present motion is, in my judgment, not much of an improvement. If it were seventy-five, for instance—

Hon. Mr. McMEANS: Be careful now.

Hon. Mr. DANDURAND: If it were seventy or seventy-five, that would be a very arbitrary figure. You would thereby eliminate as many useful men as invalids; perhaps more. On the other hand, there are some members of this Chamber who through illness will be incapacitated a number of years before reaching the age limit. Therefore I do not see that that part of the resolution would very much improve the present constitution of the Senate.

I believe, with another honourable member, that it would be perhaps as well to await a concrete proposition from the Commons, or probably from the Government of Canada. In the meantime may I express the hope that we shall continue to do our work wisely and dispassionately.

The motion was dropped.

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

THE SENATE

Thursday, May 22, 1924.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill Z3, an Act to Incorporate the Joliette and Northern Railway Company.—Hon. Mr. Gordon.

Bill A4, an Act to incorporate Shantung Christian University.—Hon. Mr. Haydon.

CRIMINAL CODE (SCRIP LAND) BILL

FIRST READING

Bill 5, an Act to amend the Criminal Code. —Hon. Mr. Griesbach.

KINGSCLEAR BRANCH LINE BILL

FIRST READING

A message was received from the House of Commons with Bill 26, an Act respecting the construction of a Canadian National Railway Line between Kingsclear and the St. Croix River, in the Province of New Brunswick.

Hon. Mr. DANDURAND: Honourable gentlemen, I would ask that the rule which requires an interval of forty-eight hours be suspended, in order that this Bill may be put down for second reading to-morrow; because, if the Railway Committee is to be called for Wednesday, it may be well to have as many of those Bills as possible before that Committee.

Hon. Sir JAMES LOUGHEED: There is this observation to be made, in answer to what my honourable friend has asked the House to do in regard to the suspension of the rule, that it is extremely improbable that the Committee on Railways, if the Bills are referred to them, will dispose of fourteen branch lines bills at its next sitting and thus permit of our entering upon the consideration of this Bill. I can assure my honourable

friend that it will take the morning session anyway to dispose of the fourteen.

Hon. Mr. DANDURAND: I realize that we shall have enough work on Wednesday. Therefore the second reading of this Bill may be left till Tuesday next.

Hon. Sir JAMES LOUGHEED: The probabilities are that these bills may safely be fed to the Committee over a period of weeks.

Hon. Mr. DANDURAND: My idea is that when we have the proper railway officials with us they will remain with us until we have finished.

Hon. Sir JAMES LOUGHEED: If that is the case, they will probably have to board here.

Hon. Mr. CASGRAIN: They had better bring their trunks.

Hon. Mr. BELCOURT: This may be the proper time to inquire of my honourable friend (Hon. Mr. Dandurand) if these Government measures are going to take precedence, and if private railway bills will have to wait until the branch line bills have been disposed of. Is that the intention?

Hon. Mr. DANDURAND: It will be for the Committee to decide. Are there any private bills?

Hon. Mr. BELCOURT: Yes, several.

The Bill was read the first time.

ROUSSEAU-LAURENT BRANCH LINE BILL

FIRST READING

Bill 30, an Act respecting the construction of a Canadian National Railway Line between Rousseau and Laurent, in the Province of Quebec.—Hon. Mr. Dandurand.

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

FIRST READING

Bill 33, an Act respecting the construction of a Canadian National Railway Line between Sunnybrae and Guysborough, in the Province of Nova Scotia.—Hon. Mr. Dandurand.

COWICHAN BAY BRANCH LINE BILL

FIRST READING

Bill 34, an Act respecting the construction of a Canadian National Railway Line to Cowichan Bay, on Vancouver Island.—Hon. Mr. Dandurand.

COTTONWOOD CREEK BRANCH LINE BILL

FIRST READING

Bill 35, an Act respecting the construction of a Canadian National Railway Line to Cottonwood Creek on Vancouver Island.—Hon. Mr. Dandurand.

NIPAWIN BRANCH LINE BILL

FIRST READING

Bill 40, an Act respecting the construction of a Canadian National Railway Line either to Mile 41, near Nipawin, or in a northeasterly direction to a point in Township 48, Range 13, west of the Second Meridian in the Province of Saskatchewan.—Hon. Mr. Dandurand.

HANNA-WARDEN BRANCH LINE BILL

FIRST READING

Bill 44, an Act respecting the construction of a Canadian National Railway Line between Hanna and Warden, in the Province of Alberta.—Hon. Mr. Dandurand.

LOVERNA BRANCH LINE BILL

FIRST READING

Bill 45, an Act respecting the construction of a Canadian National Railway Line from Loverna westerly in the Province of Alberta. —Hon. Mr. Dandurand.

DUNBLANE-MAWER BRANCH LINE BILL

FIRST READING

Bill 49, an Act respecting the construction of a Canadian National Railway Line between Dunblane and Mawer or a point west thereof, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

RADVILLE-BENGOUGH-RITCHIE BRANCH LINE BILL

FIRST READING

Bill 54, an Act respecting the construction of a Canadian National Railway Line from or near Radville, Bengough or Ritchie, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

PINE FALLS BRANCH LINE BILL

FIRST READING

Bill 62, an Act respecting the construction of a Canadian National Railway Line to Pine Falls in the Province of Manitoba.—Hon. Mr. Dandurand.

LOCKEPORT BRANCH LINE BILL

FIRST READING

Bill 63, an Act respecting the construction of a Canadian National Railway Line between Lockeport Station and the Town of Lockeport, in the Province of Nova Scotia.—Hon. Mr. Dandurand.

ST. REMI D'AMHERST BRANCH LINE BILL

FIRST READING

Bill 64, an Act respecting the construction of a Canadian National Railway Line from the end of the China Clay Branch to St. Rémi d'Amherst, in the Province of Quebec. —Hon. Mr. Dandurand.

APPROPRIATION BILL No. 2

FIRST READING

A message was received from the House of Commons with Bill 121, an Act for granting to His Majesty certain sums of money for the Public Service of the financial year ending 31st March, 1925.

The Bill was read the first time.

SECOND READING

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

He said: Honourable gentlemen, it will be remembered that in the early days of April we voted one-sixth of the total supply for the year beginning April 1st; that is, for the months of April and May. This Bill, which has passed the other Chamber, provides for another sixth, which would cover two more months, June and July.

Hon. Sir JAMES LOUGHEED: One-sixth of the same supply as we voted upon before?

Hon. Mr. DANDURAND: Yes. I would suggest that we now give the Bill the three 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.

SUNNYBRAE-GUYSBOROUGH BRANCH LINE

INQUIRY

Hon. Mr. TANNER inquired of the Government:

Referring to the statement of the Directors of the Canadian National Railways in regard to projected railway between Sunnybrae and Guysboro in Nova Scotia:—

"The original intention of the survey for this line had in view a low-grade line with the idea of making it the main line. The results of the surveys indicated that to obtain this character of line, it would be very costly and on account of the fact that the present main line could not be abandoned and would have to be maintained and operated, it could not be shown that such a line, with its excessive cost of construction, would be justified. The present intention is to construct a line to open up the local territory and build it to cheaper standards of construction, but, keep in view an eventual use of it for an alternative main line at any time that this would be warranted. Therefore the line would be located so that eventually a low-grade could be obtained, but employ steeper grades for the immediate construction."

1. From what point in Pictou County did the proposed low-grade line start?
2. To what point or points was it intended that such low-grade line should run?
3. What was the intended course of the proposed low-grade line through Pictou and Guysboro Counties and through what settlements would it have run?
4. What was the estimated cost of said low-grade line at the time construction was under consideration?
5. What is the estimated cost of it to-day?
6. Is the line now proposed to be built between Sunnybrae and Guysboro, located near the proposed low-grade line; if so, how near, in a general way, will it be to the proposed low-grade line?
7. What is the course of the now proposed line and through what settlements will it run?
8. Is the now proposed line located (a) contiguous to the East Branch of St. Mary's River, or (b) contiguous to the West Branch of St. Mary's River?
9. Will the now proposed line tap, and if so, how closely, the settlements of Melrose, Goshen or Country Harbour Cross-roads; or Barren Brook?
10. What is the mileage of "existing grading" on the now proposed line; where is it situated, and when was the grading done?
11. What cost of construction does such grading now represent?
12. (a) Do the Directors of the Canadian National Railways know, and is the Government aware, that between 1890 and 1911 the Government of Nova Scotia caused to be made several exploratory and locating surveys for the projected Guysborough railway, about $100,000 being expended?

(b) Is the railway now proposed to be built to follow any of the said surveyed lines in whole or part; and if so, in what localities and to what extent?

Hon. Mr. DANDURAND:

1. From Sunnybrae, in Pictou County.
2. To Mulgrave, in Guysboro County.
3. From Sunnybrae via the Valley of East River St. Mary's to Aspen, thence to Country Harbour Cross Roads, thence "via" Salmon River Valley to Guysboro, then skirting the North Shore of Chedabucto Bay and the Strait of Canso to Mulgrave. The line through Sunnybrae, East River St. Mary's, Newtown, Aspen, Country Harbour Cross Roads, Salmon River Valley, Guysboro and Mulgrave.
4. $9,394,800.00.
5. $13,151,000.00.

6. The proposed line will be located on the low-grade line excepting about eleven and one-half mile, near Country Harbour River, where at one place it will be about four miles distant.

7. Same as answer to No. 3.

8. To East Branch of St. Mary's River.

9. Two miles from Melrose, six miles from Goshen. Passes through Country Harbour Cross Roads. Does not pass near Barren Rock.

10. No existing grading.

11. None.

12. (a) Surveys from Sunnybrae to Guysboro were made by the Government of Nova Scotia between the dates mentioned. The actual cost to the Nova Scotia Government is not known to this Railway.

(b) The now proposed line may follow part of the line surveyed by the Nova Scotia Government in a general way, both lines passing through Aspen, Country Harbour Cross Roads, and Salmon River Valley.

THE LEAGUE OF NATIONS

DISCUSSION AND INQUIRY

Right Hon. Sir GEORGE E. FOSTER rose in accordance with the following notice:

That he will call the attention of the Senate to the operation and activities of the League of Nations for the past year and inquire if the Government have considered the advisability of furnishing the Members of Parliament with the monthly summary of the League of Nations and the annual report to the Assembly on the work of the Council and the Secretariat and on the measures taken to execute the decisions of the Assembly.

He said: Honourable gentlemen, I do not propose to spend any time particularly on the suggestion made in the latter part of this notice, namely, that the Government should distribute or furnish to members of Parliament the monthly summary of the League of Nations and the annual report of the Assembly on the work of the Council and the Secretariat and on the measures taken to execute the decisions of the Assembly. I do not think it is necessary to spend any time on that, because it follows as a matter of course that as the Government is committed to the League of Nations, it is wise for it to give such information as to the workings of the Council and Assembly of the League to members of the Senate and House of Commons. The proper support and sustenance of the League involves the duty of placing full information at the disposal of the members, so that they may fully inform themselves. The cost which would be involved by that suggestion is very small, not exceeding probably $800, and bears almost no proportion to the amount which we annually spend in the sustenance of the League.

The purpose that I have in speaking to-day is two-fold. One is to give an idea in brief of the operations of that body to members who have not paid as consecutive and as continuous attention to the working of the League as myself. The other is—and it is done practically in carrying out the first part of the proposition—to answer certain objections which are floating around, and, if possible, to correct certain misapprehensions that seem to be in the minds of some people in reference to the objects, the working and the purposes of the League.

In the first place, it would be useful for us to remember that our nation, Canada, as well as other nations, has been interested in the League of Nations from its inception. Canada had a part in the Peace Conference out of which the League was evolved. She signed the Treaties of Peace of which the League covenant and the obligations of the League are also a part; and Canada has taken part in every League Assembly from the inception of the League until the present time. We devote a certain amount of money to its sustenance and support, consequently our people, as well as the Government and Parliament, have—or ought to have—a lively interest in the workings of the institution which they have called into existence and which they support, and should have information as adequate as possible of what is being done thereby.

Not only is Canada interested in that way, but probably there is no more influential and hearty supporter of the whole plan of the League of Nations than the British Empire itself, which has stood for the League from the start. In Great Britain there is the liveliest propaganda in support of the principles of the League and of its operations that is to be found in any country. The whole British Empire, in fact, has shown its interest over and over again. The Imperial Conference which met last year in Great Britain at which the overseas Dominions and India were represented, took up the matter of the League of Nations, and there was a unanimous and hearty expression in support of the ideals of the League, and a pledge of its sustenance and operation. Outside of our Empire, a very large proportion of the world in general, is to-day in the membership, and co-operating in the work, of the League of Nations. Therefore our interests as public men, as governors or administrators of Canada—one nation amongst the nations of the earth—and as citizens of the great Empire to

which we belong, suggest our co-operation in this matter.

In this country, as in Great Britain, there is no party opposition to the League of Nations. The leaders of all parties in Canada have expressed themselves in its favour, and are ready to co-operate in its support. The same is true in Great Britain, where leaders of all parties and of all governments give their enthusiastic approval; while the League has no more loyal and intelligent supporters than the overseas Dominions and India. All these considerations make it obligatory upon us, as citizens of this country, and as partaking in its government and administration, to be as well informed as possible, and to have as clear and adequate an idea as can be obtained of the aims and operations of the League.

The first point I wish to make is that criticisms directed against the League, when examined, seem to me to rest on an inadequate conception of the purposes and powers of the League, and I think we ought to strive to have clear ideas in that respect. One of the first objections, and one most generally made against the League of Nations, was that it was bringing into existence a super-state, a super-nation, the result of whose purposes and objects would be to interfere with the nations of the world in the exercise of their sovereign rights. That objection was nowhere more widely spread than in the United States of America, and it was also voiced elsewhere. I think we can say, in all fairness and truth, that that idea has been almost entirely abandoned; and to-day, when we hear criticisms of the League, they are rather on the ground that it has too little authority than that it has too much authority, as will be developed in the course of the remarks that I am hoping to make.

As a matter of fact, the League of Nations is not a super-state or a super-nation. Each state which is a member of the League retains its own sovereignty, administers its own affairs, and establishes and regulates its own relations to other states and nations. A nation is not forced to enter the League of Nations, or to remain in it. It enters freely; it can leave just as freely. There is therefore no compulsion. Let me just suggest to the minds of honourable gentlemen whether or not they have come across any instance in the four years in which the League has been operating where there has been a shadow of a shade of interference with any of the autonomous rights either in government administration, internal or external, with the Dominion of Canada as one of the members of that League. No one can cite such an instance; neither can any one in any country. The criticism of the League as a super-state has passed to what I mentioned before —that it has too little power, and therefore cannot be effective.

Now, the League offers advantages accruing primarily to the world of nations itself, and indirectly to these that constitute the association into which these different nations have formed themselves. Their object is to compass certain advantages to the world, and to the nation-members of the world of nations, which could not otherwise be readily attained. These nations agreed of their own free will to form an Association among themselves, and in so doing they prepared, as it were, Articles of Association under which they united, and to which they unanimously assented in joining. As I have said, there is no compulsion in the case. They agree upon certain conditions. What are the advantages that they propose in the Association, and what are the pledges which they give? First, the abandonment of war as a method of settling disputes between nations, and the substitution therefor of the methods of peace; the promotion of mutual good understanding and good-will; next the creation of an atmosphere favourable to peace among the nations of the world; and, thirdly, the adoption of such measures as the Association may unanimously agree upon to effect these purposes.

Some one may say that in joining that Association nations must give up certain rights or privileges that they would enjoy if they did not belong. That is an objection which is and always will be open to any contract between man and man, or any arrangement made between nation and nation, whether there be a League of Nations or not. You cannot make a trade treaty with another nation unless you promise to do certain things, and promise not to do certain other things. To a certain extent you restrict your powers, and extend your obligations, but it is done upon free will; there is no compulsion in the matter at all.

The powers of the Association are shown in the Covenant, which consists of 26 Articles. It is an amendable Covenant; it is not a thing which is fixed for all time; changes may be made if improvement is necessary, so there is no hard and fast condition in that respect.

There were 32 signatories to the Peace Treaty, and 29 of those became members of the League of Nations. There were 13 neutral states that were invited to adhere, and all of them did adhere. Twelve nations have since

been admitted by vote of the Assembly, which is their entrance gate into the League. Consequently we have now 54 nations of the world formed under this Covenant to carry out the purposes for which the League was projected, and to meet the obligations which the member states have undertaken. Now, if we keep these things in mind I think we will be able to answer objections that are made with reference to the League of Nations, and perhaps our own objections.

The first general objection made is that the League has not achieved peace in Europe; there is still war and unrest; there are still race and creed hatreds. The person who makes this objection seems to imply the conclusion that therefore the League does not secure the advantages which were proposed, and in fact may be of no advantage at all. In answer to that criticism let me say that if you will carefully study the matter you will find that though troubles have been and still are existent in Europe—troubles which have arisen from old causes and from new causes—the League is practically daily harmonizing terms of peace or difficulties which have arisen. But do not let us run away with the idea that all the troubles of unrest and race and creed that are yet to be found in Europe were not there before, in essence and in action. Race and creed hatreds, prejudices and strifes, existed in Europe for many years before the Peace Conference, and before the League of Nations came into operation; they are there still, and will remain there for many generations, perhaps. The question is simply how they may be modified and mitigated and smoothed, so as gradually to disappear as a factor of unrest and of trouble.

To bear out the statement I have made, take, for instance, the situation between the Allied Powers and Germany arising from the fact that the terms and conditions of peace agreed upon, or at least signed, by the two contracting parties had not been carried out. That is because of difficulty in enforcing the provisions of the Treaty. But with that the League of Nations has not had, has not now, and cannot have, anything in the wide world to do except on reference to it by the Allied Council. Take the trouble in Upper Silesia, which for many months was very acute and very threatening, which necessitated the keeping of Allied troops on the borders to maintain peace, thus causing an expenditure of somewhere between $2,000,000 and $3,000,000 for the upkeep of those troops. The inability of the Supreme Council and of the Allied Council to carry out and enforce the terms of the Treaty with reference to the boundary between the part of Upper Silesia which was to be given to Germany and the part which was to go to Poland was the difficulty, and war was very threatening at times; and at the last the settlement came through the reference of the case by the Allies to the Council of the League. Take also the difficulty on the borderland between Lithuania and Poland. It was the Allied Council which made the terms of peace, and which was to allot the territory. But it was unable to do this—I am not going into the causes—and consequently that remained a sore, and a very grievious one, for nearly four years.

There is no necessity to go further. I think I have demonstrated my statement that either delay in making the terms of the Treaty, or inability to enforce them, and consequent delay, has been the reason for most of the trouble and unrest and disquiet in Europe up to the present time.

Hon. Mr. DAVID: What about Turkey?

Right Hon. Sir GEORGE E. FOSTER: I have Turkey in mind, and will come to that a little bit later.

There are other instances, such as the Memel question, on a similar basis. The Allied Council was not able to carry out the terms which the Peace Treaty had laid down, and for nearly three years that operated as a source of disquiet and trouble in that section of Europe. There are also the boundary limits and the Sevres Treaty, the Treaty with Turkey, which, although it was negotiated, was not ratified. While having the assent of the nominal ruler in Constantinople, Turkey, under Kemal, was in quite a different frame of mind, and refused to recognize the Treaty, which made it necessary for another one to be negotiated.

Now, in all those points the League of Nations—let us keep that clear in our minds—has no jurisdiction and no authority whatever. The Treaties of Peace were made by the Allied and Associated Powers—five of them—in conjunction with the other smaller Powers, the main deciding authority resting in the end with the five Allied Powers. They had the right, and they only, to make Treaties, while the League of Nations was not formed until after those Treaties were all made.

The birth of the League of Nations took place only in 1920, and its organized capacity was not available until the end of that year. That is, the League of Nations had no jurisdiction and no authority in the making of peace terms. It might be well just to denominate the authorities in making and enforcing the terms of peace. First, there

was the Supreme Council, which I have already mentioned. Then, when it became impossible for the Premiers of the four Great Powers to sit in togother in making the further terms of peace, which were provisionally made by the first treaties, and in enforcing the terms of peace, that power was delegated to what is called The Ambassador's Conference, made up of the Ambassadors of those four great Powers. To them was delegated the remaining work of fixing up and enforcing the terms of the Treaty of Peace. This Ambassadors' Conference, with its headquarters in Paris, and under the Foreign Office of the French Government, reported and kept in constant touch with the Governments represented. It carried out, under their instructions, the work which formerly been done by the Allied Council itself. Then there was another body which had to do with the enforcement of the terms of the Treaty of Peace—the Reparations Commission. The Reparations Commission was the creation of the Treaty itself. Its duties were defined, and its constitution was laid down. It was the duty of the Reparations Commission, under its different powers,—and it has large powers—to carry out and enforce the reparation terms of the treaties. Those three bodies, then, all had to do with the making of the terms of peace, with the enforcement of those terms, and with the carrying out generally of the provisions, financial and reparative, of the Treaty of Peace.

Now, I make a claim for the League, a claim, which I think will not be disputed. In many instances. what the Ambassadors' Conference could not do, what the Allied Premiers were unable to do in carrying out and enforcing the terms and conditions of peace, was handed over to the Council of the League, and the League by its methods did two things: first, it kept the peace between the contending parties, and in several instances by its methods it procured a satisfactory settlement. That was the case in Upper Silesia; that was the case in Memel. Another case referred for settlement to the Council of the League of Nations was the dispute between Poland and Lithuania. For three years the Council of the League of Nations kept the elements of strife from engaging upon actual war, and so kept the peace until finally, only last autumn, the Ambassadors' Conference settled the limits and alloted the territories as between Poland and Lithuania.

Now, there is another statement which I propose to make. In so far as the League of Nations is concerned, under its Covenant there has not been a single instance in which a member of the League of Nations has gone to war with another member of the League of Nations. During all that period of four years, the League of Nations has been able to keep the peace between the members of the League; and the only exception which might occur to one's mind would be the case of the dispute between Italy and Greece. My honourable friend raised that question a moment ago. Probably it would be just as well to speak of that at this moment rather than later in my remarks.

Let us just pass in review the situation existing between Greece and Italy, the Ambassadors' Conference, and the League of Nations on that embroglio. In the first place, take into account the fact that the ruler of Italy was a newcomer entirely in the field of diplomatic negotiations and relations between the nations of Europe. He had acceded to power in a marvellous way, but not in what we would call a constitutional way. He was new to diplomatic arrangements and dealings of nations one with another. Taking that into account, take now the other circumstances into account. The dispute arose from an incident which took place on Greek territory near to the Albanian frontier. The Ambassadors' Conference had as its prerogative—and it was the prerogative of no other—to settle the frontiers between different countries in Europe. The frontier between Albania and Greece was to be settled. The Ambassadors' Conference appointed a Commission of Italians, of Albanians, and of Greeks, and sent that Commission to delimit the territory and to fix the frontier. On their way, and just before they reached the Albanian frontier, the Italian members of the Commission, travelling by themselves, were ambushed, and three of them and their chauffeur were slain. That took place on the 27th day of August. On the 29th day of August Italy sent an ultimatum to Greece demanding within a certain time—twenty-four hours, I think was the limit set—that Greece should do certain things. On the next day Greece acknowledged the ultimatum, assenting to part of it and dissenting from the other part, because in assenting to it in its entirety she could not keep her place as a sovereign and self-respecting nation. On the 31st of August, directly after the receipt of the communication from Greece, a notification was given by Italy that a limit of five hours would be set, and that if Greece had not acceded to the terms of the ultimatum in that time, Italy would take her own course. Before the five hours were up, there had been an entry by an Italian expendition into Corfu: there

was the bombardment of the fort and the taking possession of the country. That was on the 31st of August. On that same day the Ambassadors' Conference, whose Commissioners had been slain, took the matter up in defence of its own Commission, and sent protest to Greece and demanded from Greece an explanation, an inquiry and reparation, holding Greece responsible for the assassination of these gentlemen. After the second ultimatum of Italy, and when the occupation of Corfu was completed, Greece immediately applied to the League of Nations. Her application to the League reached the Council on the first day of September, one day after the Ambassadors' Conference had taken the matter up and had demanded inquiry and reparation. The moment that communication came to the Council it was taken into consideration; and the Council had the advantage of the presence of the Greek representative and the Italian representative at the Council. The Italian representative asked for delay; he wanted time to communicate by courier with his Government as to the action which he should take. That time had to be given. It was two days or three before instructions from the Italian Government came to Monsieur Salandra, who was its representative at the League of Nations. In the meantime Greece had replied to the communication of the Ambassadors' Conference (September 2) accepting its arbitration, and expressing a willingness to abide by its decision. At first the Italian ruler, M. Mussolini, had warned everybody off the grass. It was his prerogative and his alone to settle a question of honour between Italy and Greece, and he did not purpose having anybody interfere with him. But in the instructions which M. Salandra had received on the 5th day of September was this intimation, that Italy objected to the Council going further in this matter, because it had been taken up by the Ambassadors' Conference and they were willing to abide by the arbitration of the Ambassadors' Conference, as Greece also was willing. These are the facts in the case.

Let us consider what are the recognized steps of the League of Nations in trying to preserve peace. Every member of the League of Nations says first: "We will not go to war over any dispute that arises between us and a member nation." But there are three methods by which a settlement can be brought about. There is the ordinary plan of diplomatic intercommunication between the two parties to a dispute. If it cannot be settled by that means, it is referred to arbitration. If it cannot be settled by arbitration, and if legal and constitutional questions are involved, then let it go to the international tribunal. Failing a settlement by those means, it comes to the Council and the League of Nations and they proceed to try to effect a settlement and so arrange the matter. It is not the part of the League of Nations to interfere in, or to take up, a case which is under any of those other forms of adjudication—whether diplomatic communication, arbitration, or investigation by the Tribunal of International Justice. This matter having passed those stages, the League of Nations Council was discussing it on, I think, the 6th day of September. Both sides presented their case. The Italian representative denied the competence of the Council to go further in the matter and adjudicate upon it, chiefly on the ground that it had already been taken up by the Ambassadors' Conference. The Greek representative said that Greece had agreed to abide by the decision of the Ambassadors' Council. Then the League Council had nothing to do but advise, if it chose to advise; and it did choose, and there was brought in a scheme of terms of settlement, which it debated and approved of, and which were forwarded by wire on the night of the 6th of September to the Ambassadors' Council. On the 7th the Ambassadors' Council notified the Council of the League that they had received their settlement propositions and were very much indebted to the League for their suggestions and a report of the discussion which has taken place, and that they had prepared and sent both to Italy and to Greece the terms upon which an inquiry and reparations were to be made. That settled the matter. The primary object of the League of Nations was absolutely attained. There was no war. The settlement was made by a method which the League of Nations authorizes as a primary means, namely, arbitration before another competent authority.

But there was one matter not settled. In the course of the debates M. Salandra, the representative of Italy, assailed the competence of the League of Nations to interfere between two nations, members of the League, on a question like that which was involved between Italy and Greece, declaring that there was no war and that Italy had simply done as she did in taking possession of Corfu as a guarantee that reparations would be finally paid by Greece. Whatever there may be in that contention, he raised the question of competence. It was dealt with before the end of the assembly sitting that month in Geneva, and was settled in this way. A committee of jurists from nine of the principal members of the League was asked to give an opinion on the constitutional methods em-

ployed, or which should be employed under the Covenant, in cases where these disputes were referred to them. That committee of jurists did its work, and at a later session a report from them was presented to the Council and unanimously passed, and the competence of the League was absolutely upheld.

Hon. Mr. CASGRAIN: Naturally.

Right Hon. Sir GEORGE E. FOSTER: And M. Salandra himself, in giving his approval as representing Italy, said that his country approved of it and hoped that it would be taken as their loyal reply and adhesion to the principles of the League.

That is, in brief, the history of this matter. It is for each one to judge for himself whether or not a blow was struck at the prestige of the League. It is my opinion that the incident clarified a situation which never would have been at rest until it was clarified, and that consequently the League's prestige and future work are made all the greater and more certain.

Having digressed on that text, let me go a little farther—to the second objection which one hears. That is couched in words like these: "The League has proved futile and ineffective; it has done little or nothing; it is consequently of no use and is not worthy of our support."

Hon. Mr. CASGRAIN: That is what Birkenhead says.

Right Hon. Sir GEORGE E. FOSTER: I am not responsible for all that Birkenhead says.

Now, let us be reasonable on this matter. Let us take first into account that the League of Nations is a new adventure in international relationship and in world government. It proposes to substitute for war as a means of settling international disputes the methods of peace—in arbitration, in conference, by legal tribunal, or failing these as the League may advise. It opposes and reverses what has been the custom of the world ever since it has been in existence, which was to look upon force as the main, often the instant and always the ultimate, arbiter in the case of a dispute between nations. Now, a custom which has had vogue for six thousand years has established itself mightily and firmly, and it would be absurd for anyone to think that in a little time that custom could be reversed and headway made against all its fortifications of six thousand years, and that the world could immediately emerge into the full operation of the new ideal and the new plan. No reasonable man would take a ground of that kind. So we consider the new institution —the new adventure, if you have a mind to call it such—which has had a growth of only four years. Now let us examine very briefly —and this is the pith of my whole address this afternoon—just what has been the achievement of the League of Nations in that four years.

First, let me cite what is, I think, a good argument. There are other people in the world besides ourselves—men who have had more intimate connection with this League of Nations than perhaps any of us have had or ever will have. After four years what is the estimate of the League of Nations, in the opinion of these men who are in a position to judge it?

Let me take the King's Speech of January 15, 1924; that is, the utterance by the King for his own Government, the British Government, at that time:

It will continue to be my object to support by every means in my power the steady growth in influence of the League of Nations.

Take Mr. Asquith, the leader of the Liberal Party speaking on February 23rd, 1924, he said:

I believe that the only instrument by which economic reconstruction could be effectively dealt with was by the authority of the League of Nations.

Take Viscount Falloden, who was Foreign Minister in that eventful period just before the breaking out of the Great War. He says:

I regard the development and strengthening of the League of Nations as the best means and the only sound means of restoring the peace of Europe.

Take Premier Baldwin. On May 1st, 1924, he says:

The Conservatives will make the League of Nations the pivotal factor in foreign policy.

Take Ramsay MacDonald, the succeeding Prime Minister. He declared:

We must, we shall, make much more use of the League than we have done so far.

And over and over again he has reiterated his determination to use the League in its proper purposes as the peacemaker and peacekeeper of Europe and the world.

Take Lord Parmoor, who represented the Government at the last meeting of the Council at Geneva. He says:

The League has behind it the whole authority of the British Government, supported by a large majority of the British people.

Go further afield and take, for instance, Dr. Benes, who is Finance Minister and the leading statesman of Czecho-Slovakia. He declares:

For the last four years the whole policy of Czecho-Slovakia has been inspired by the ideals of the League of Nations, and my country will continue to pursue these ideals.

Take M. Briand, who is a possible Premier of the incoming Government of France. I do not mention Poincaré here, because he has over and over again, not only expressed his opinion, but carried that opinion out in the actual dealings under the League of Nations. M. Briand says:

> The war has given birth to an admirable instrument, in which we can have great confidence—the League of Nations. France cannot complain of the manner in which the League settled the question of Upper Silesia.

Take M. Herriot, who is also a possible Premier of the incoming Government of France. He says on January 11th:

> You may make the League the object of as much scoffing and scepticism as you like. It is none the less a fact that it represents the ground plan of an international statute of peace. Taking the birthrates of Germany and France into consideration, you are driven to the conclusion that security is to be found only in the League of Nations.

Take the great labour organizations in France and in Great Britain: they are overwhelmingly in favour of and in support of the League of Nations. Mr. Gompers, who heads that great institution in the United States of America, stated on the 1st of May, 1924, in an investigation at Washington:

> As to the entry of the United States into the World's Court, I am of the opinion that joining the World's Court will mean at least drawing closer to the League of Nations, and I am in favour of that.

I will read another. Herr Streseman, in the Reichstag—I have not the exact date—declared:

> Germany accepts the principle of the international solidarity underlying the idea of the League.

It is stated sometimes that people outside of Europe have no great interest in, and there is no great advantage to be derived from, the operations and work of the League. Here is an instance which has occurred within the last few weeks. The President of Brazil telegraphs to the Secretary of the League in Geneva, telling him that Brazil has appointed a permanent liaison body at Geneva and has given it ambassadorial dignity—an ambassador and an assistant, with a staff; and he ends his telegram in this way:

> This I have done because I desired by this action to give further proof of Brazil's feelings of devotion and respect for the League of Nations.

Some people say: "This is only a European body; it has its centre in Europe; it does its work in Europe; therefore it is of interest only, or mainly, to Europe; why should we bother about it?" Is that true? The whole of Africa with the exception of Egypt is under the League of Nations; the whole of Asia is under the League; the whole of South America with the exception of Ecuador; all of North America except the United States and Mexico, and the whole of Europe with the exception of Germany, Turkey and Russia. Germany, if the Dawes plan is put into operation, as seems now quite certain, will become at once a member of the League. Turkey has agreed to ask for admission to the League of Nations when the Lausanne Treaty is ratified; and as to Russia, I make no prophecy or promise as to what may happen there, although there have been statements made by Russia in conformity with the general principle of the League. What reliance can be placed upon them one scarcely knows.

But is it really an objection that, because this body applies its remedial measures chiefly to Europe at the present time, therefore it is of no interest to us? I do not think that will hold. Europe was not of much interest to us in point of advantage, commercially or financially, when the war broke out, but we found ourselves drawn into it, and we performed our part of it. As the maximum of disaster fell upon Europe, so the maximum of remedy is to be applied in Europe; and as the disaster spread from Europe to every part of the world, including Canada, so the good effects of a rejuvenation of Europe, of an adjustment of its affairs, of bringing about a reign of peace and of commerce and of economics, will redound to the advantage of Canada and of the whole world.

Now, what has been the achievement of the League of Nations in its four years? In all the old-time wars there was this prominent cause and motive for war—to possess yourselves of the territory of the country against which you went to war, and if you conquered you got, if you could, as much of its territory and its resources as you could join on to your own country. The League of Nations has killed that motive for war. It is an article of the League of Nations that conquered property becomes mandated territory, in trust of the mandatory power for the immediate benefit of the country itself, with the idea of gradually leading that country up to a plane of being able to carry on its own affairs, and consequently to joint the brotherhood of nations.

The principle of dividing up conquered territory which had not yet been acquired was a vicious thing that made it almost impossible for the Peace Conference to carry out a just and fair Treaty. For whatever reasons, powers got together in secret treaties and divided up what would be the prospective gains by a war. That system has been laid in ashes also. It is a fundamental principle of the League that every treaty made between members of the League shall be sent to Geneva, registered,

and published. That was a bitter pill for some countries at least to swallow; but the custom has grown, and more than 500 treaties have now been filed and registered in Geneva, and more than 300 of them have been already published. The knell given to secret treaties spells a wonderful improvement in the peace-keeping properties of the world. Iet it be known that two or three strong nations have made some treaties between themselves, the terms of which are not known, and the first thing that happens is that three or four other nations make secret treaties in order to counteract what they suspect may be a result of the secret treaties of the other parties, and so you have incentives to war. The registration of all treaties, without which registration they are not effective or in force, is the death-knell of that kind of operation so prejudicial to the peace of the world.

The next thing that has taken place is that the League of Nations has prevented what competent people believe would probably have resulted in five wars of more or less intensity; and one never knows how far fires started in these tinder-like times will spread. These five wars that have been stopped are familiar to all of us. There was the difficulty between Sweden and Finland, a very conscious and acute difficulty. There was the difficulty in Upper Silesia, which the Allied Council found itself unable to solve; there was the Lithuanian-Poland trouble; there was the Memel trouble and the Albania-Servia dispute. Every one of these has been settled by the League of Nations, they having been transferred in all cases but one by the Conference of Ambassadors itself, after it had found that it could not settle them of its own effort.

What is the fifth war that threatened? The trouble between Italy and Greece. Prime Minister Baldwin stated on the floor of the British House of Commons—and I suppose he had as intimate knowledge of what took place at that time and through that controversy as any one—that if there had not been a League of Nations the trouble between Greece and Italy would have developed into a war which would have involved at least all the Mediterranean provinces. Now, that is a strong statement, but one which deserves weight.

What happened at Geneva? The very moment that the news of that assault on Corfu came to Geneva it happened that the League Assembly was in session; 54 nations were represented there; and of those 54 nations there was not one that even excused the action of Italy. From the smallest to the greatest there was a reprobation of the hasty and unnecessary action; and that feeling, which was an index of what the world thought—with the organ of the world thought bearing directly upon that question—restrained the impetuosity of Italy, and brought about a condition of peace, to exist until the settlement was made, and an early settlement of the difficulty was secured. So much, then, with reference to that action, and to that part of the League's work.

Then, the League has secured the establishment of a World Court, which was a dream of the best nations of the world, and of the best statesmen in those nations, for over fifty years. It was found impossible by individual or collective effort of a few nations to carry into effect that plan of a World Court. The League of Nations was given authority in the Covenant to perform that work, and inside of a little more than a year the League had succeeded in forming the International World Court, which has been acceded to and legitimized by actual legislation in 47 countries up to this date. That World Court has done important work up to the present. Processes have been carried on before it of an international character, as well as others advisory in character.

Look at a scene in that Court in Geneva, which took place not many months ago. The Allied Nations brought suit against Germany for stopping the passage of an Allied vessel through the Kiel Canal. That might have caused a war in other times. In these times, and under League ideals, it was agreed by the parties to put it before the International Court; and one day, in that Court, you saw the eleven judges of the Court and by their side a judge from Germany, who is privileged to sit on the Court when a case is tried involving his nationality. You saw German counsel and French counsel and British counsel taking up the alternate sides and arguing the point; and there was a decision which in the end carried out the Allied contention, and Germany paid the fine and the damages, and that is settled.

Hon. Mr. CASGRAIN: How much was the fine?

Right Hon. Sir GEORGE E. FOSTER: I do not know. Then, take another case. Do we not all remember the Fashoda incident many years ago? It was an incident that centered around a bit of sandy territory somewhere in Africa. A French lieutenant had put up his flag, and the British commander, Kitchener, came to him and said: "This is British territory; you must pull down your flag." He said: "No; the French flag goes up, and does not come down." "But this one comes down," said Kitchener, and down it

came. Then it became a dispute between France and Britain, and national sentiment was inflamed, as everyone knows who casts his mind back that far, and possibly war was only averted by a chance.

Hon. Mr. CASGRAIN: Without the League of Nations.

Right Hon. Sir GEORGE E. FOSTER: Without the League of Nations. Now, what takes place? There is a dispute which involves nationality, and the conscripting of a British subject into the French army in Tunis or Morocco. Great Britain says: "According to international usage you cannot take one of my citizens and conscript him." France says: "That is a matter of local procedure in our own dominion; it is a domestic matter; we can and we propose to do it." So they got to a point where they could not agree. Then they said: "As members of the League let us send it to the International Court, and we will agree to abide by the judgment of the International Court." It was sent, it was argued, it was decided, and the judgment was against the exclusively domestic contention that France made. What happened? Within six weeks or so a treaty was made between the two nations which amically settled the whole question on the basis of that decision. Now, that shows what the World Court does.

To-day there lies in the pigeon-hole or on the table of the Foreign Affairs Committee in Washington a recommendation by the late President Harding, and a representation and recommendation by the present President, Coolidge, to get authority for the United States to enter that World Court. That shows that in the United States itself that country is not regarded as an enemy to the purposes and ideals and work of the League of Nations; it is, in heart and soul, of the same way of thinking, but differs merely upon method. To-day in many different activities of the League of Nations the United States is co-operating earnestly by means of its own citizens, officially or otherwise; and in the United States itself one cannot judge of the difference between those who are for that country's entrance into the League and those who are against it, in point of numbers.

Now, going a step further, there is the matter of financial reconstruction. I have just time to indicate the three chief points. First, the reconstruction of Austria, which, less than eighteen months ago, was on the brink of the precipice of financial economic and business disaster. It had exhausted its own resources; it had exhausted the good offices of Allies who had advanced money to it; and it came at last to the League of Nations. The League produced a plan, got certain legislation from Austria, put into Vienna its own director, and in the month of November —one year after the plan went into operation —had these tidings to tell, that under that plan the expenditures and the revenues in Austria balanced, and more than balanced; and that since November they had made no drain upon the extra fund which was provided them for deficits up to the end of 1924, when the term ends. Austria itself is acknowledged everywhere as an example of the most wonderful financial renovation that has been witnessed in modern times.

What happened directly after? Hungary witnessed the flight of its crown, which has sunk below the value of the Austrian crown at the time of her greatest extremity. Hungary applied to the League of Nations: "Come and help us on the same terms." The Reparations Committee gave consent: the Entente Powers gave consent; arrangements were made, and to-day in Budapest there is sitting the Director of the League of Nations in the person of a lawyer and financier from Boston, who is directing that same scheme of renovation for Hungary which worked out so effectively in Austria.

Last year a million and more refugees were poured out of Asia Minor into Greece—one-fifth of her whole population. Greece, disarmed, confused in every limb, without credit and without resources, how could she take care of a million—one-fifth of her total population—thrown in upon her? What country would do it? None. The League of Nations took up the case, prepared a scheme, made an agreement with the Greek Government, and put in Mr. Morgenthau, formerly United States Minister at Constantinople, as its Director, and then went to the Bank of England in London. The Bank of England looked at the scheme, at its methods, at its directorship, and said: "Here are a million pounds that we will advance." That million has been used and 200,000 or 300,000 of those people have been cared for. Another million pounds were needed, and it was not time yet to put out a loan for Greece. Mr. Morganthau went to the Bank of England only a week ago and put the case before it, and the Bank issued an advance of a million pounds more on the scheme backed and carried out by the League of Nations. I have not time to give the modus operandi, but that shows the confidence that moneyed people and moneyed influences have in the management of the League. So in financial reconstruction it has done that wonderful work.

How about the humanitarian methods of the League? The prisoners of war at the end of the conflict, and two years afterwards, numbered more than half a million, scattered chiefly throughout the far distances of Russia, but some of them in Europe. Of all imaginable conditions, probably the condition of those poor prisoners was the most miserable. What nation would undertake the work of putting them back into their own country? None could; none would. The League of Nations took the matter up, and with Dr. Nansen as their Commissioner, inside of eighteen months they had repatriated 477,000 of these poor prisoners and put them back into their own countries. That is part of the humanitarian work.

I must cut the rest very short. In the matter of disease, health, plagues, narcotics, the deportation and traffic in women and children, the League of Nations is combining under its direction the efforts of the 47 or 50 nations which belong to it, and the efforts of some nations that do not belong. Narcotics, epidemics, fevers, plagues, acknowledge no national boundary, and it is impossible to cope with them unless you get collective effort. They breed in places far distant, and then rush like a devouring flame on a civilization unprepared to combat them. But if you can get all or nearly all nations to work co-operatively, you go to the problem with the very best chance of a successful solution.

Lastly, let me take the final objection: what does Canada get out of it? We pay $170,000 a year—and Canada has no money to spare? What does she get out of it? Cui bono? That is the question that is asked. Let me just say one word with reference to that. What did Canada get out of the war? Sixty thousand of her sons lie in the dust of the battlefields of Europe; hundreds of thousands of casualties creep and walk about our streets, and encumber our hospitals and are cared for in our homes; a debt of two and a quarter millions of money, and taxes to support it, and all the manifold services for pensions and for other forms of alleviation—that is what Canada got out of that war.

Was there a possibility of that war never having taken place? Viscount Falloden, who was Foreign Minister at the time, has said over and over again: "If we had had a League of Nations in 1914, when I was trying to get three nations, or four nations, to come together at the supreme moment to put a veto, if possible, on the war, then we would have had no war." That is a weighty testimony. Any one has a perfect right to say he does not believe it, but that is the testimony of a man who had a very important part to play.

But if there should ever come another war, could Canada keep out of it? Would it be possible? And if there ever should come another war, what would be the character of that war in destructiveness and in all the horrible trail that follows a destructive war, compared with the character of the last war? To-day I read in the papers of the triumphs of electricity and of chemistry, and of research in those lines. I read that there is such a thing as is called the diabolical ray, which can be segregated in the atmosphere and launched with certain precision at any point within a certain radius, and that its effect is incalculably destructive. No one knows the limit of chemical research, but every authority on naval or military warfare expresses the opinion that the implements of destruction in the next war will be away beyond calculation in their destructive properties in comparison with the implements and munitions of war in the last great great struggle. Is it not worth while that we should take hold of the only scheme that is before the world to-day to prevent war and to multiply the chances in favour of continual peace? Shall we withdraw from the League of Nations and thereby set in motion the disintegration, by the withdrawal of others, which would destroy the whole fabric? Shall we, for the amount that it costs us, do this? After all, what does it cost us? There is an item of $168,000 in the Estimates to-day—make it $170,000 or so, and divide it among the people of this country as an insurance fund, and it amounts exactly to two-thirds of the cost of a postage stamp for every man, woman and child in the Dominion of Canada.

Hon. RAOUL DANDURAND: Honourable gentlemen, I simply desire to speak the mind of every member of this body who has had the privilege of listening to the address of my right honourable friend, in saying that we have been absolutely enchanted by the statement he has laid before us this afternoon. If there is a country outside of Europe that needs to link up with the League of Nations, it is Canada; if there is a country in America that is interested in the League, it is our country. We are the only part of America that is linked to Europe, and we have a direct interest in maintaining peace in Europe. I wish my right honourable friend could have been heard to-day by the Congress of the United States. I think he would have brought back to the mind and heart of the American people their original

desire for the creation of a League of Nations.

For twenty years I have been in contact with various leagues for peace in the United States. I have attended their conferences more than once. Throughout the whole territory of the United States, in every State in the Union, there are leagues of peace. Of course, we all know how that nation, which was a pioneer in the movement for universal arbitration and for the creation of a League of Nations, has fallen by the wayside. I only hope my right honourable friend, in the zeal for that ideal which characterizes him, will cross the line and raise his voice in the Capital of the United States while Congress is in session. I know very well that there are sceptics. I have one to my left.

Hon. Mr. ROCHE: A good many.

Hon. Mr. DANDURAND: But I know also that very many men, and I should say also very many women, who have given thought to the problem, have felt that our salvation was in the creation of a League of Nations. I have in my hand a letter on the League of Nations addressed to the Montreal Gazette, the signatures of which represent all the various elements that go to constitute the population of Montreal. Let me read this public letter:

League of Nations Society in Canada

To the Editor of The Gazette:

Sir,—We are in full accord with the opinion you express in your issue of 21st inst. that Canada as a signatory and contributor to the League of Nations should have a larger knowledge than is now afforded her of the principales, operations and usefulness of the League. Information about it must be widely and systematically given if the various opinions as to the "advantages" of the League to which you say the Hon. Mr. Mackenzie King recently referred are to be merged in that broad and intelligent support which our Prime Minister had anticipated for it and which alone can make it an effective force.

In response to your challenge, which is fully justified we now address ourselves to you and to the public through you, on this vital matter.

It is a familiar fact that Canada by her signature to the Treaty and Covenant of Peace at Versailles became a member of the League of Nations; but the implications of this fact, the obligations which it lays upon Canadians, the aims and methods of the League, its activities and accomplishments, are as yet very imperfectly known amongst us, and to this imperfect knowledge may be traced most of the objections raised to it. Such mistaken and contradictory impressions exist, for instance, as that the League is a superstate with power to force its recommendations on its members, or on the other hand, that it has no power whatever and has accomplished nothing. But the very purpose of the League is to abolish force as a means of settling international differences and to substitute for it the power of reason and sanity and public opinion. As for the charge that it has done nothing, it were enough to cite the financial reconstruction of Austria, the satisfactory solution of the intricate question between Sweden and Finland affecting the Aaland Islands, the settlement of various boundary disputes, as between Germany and Poland in Upper Silesia, Czechoslovakia and Hungary, Poland and Lithuania, the dispute in the last instance having all but precipitated war. If, as you say, these "good works were performed in remote theatres," we remember that there are some sixty thousand Canadian graves in France. You remark that the Corfu incident has not been mentioned as one of these good works. It would be impossible here to go into details of the Corfu matter, but there can be no doubt that the League both by what it did and what it refrained from doing that instance, made a powerful contribution to the cause of peace. Its failure to effect more was due not to any inherent defect in the League but primarily to two facts—first, that its functions and competence are as yet but imperfectly apprehended by the people and Governments of the States that are its members, and secondly, that its full power waits on the adhesion of those nations that still stand outside it. The services which it has performed, political, economic and humanitarian, have far more than justified its existence, and the progress, interests and activities of the League if presented to the public as a matter of course from month to month through the Press and from the platform, would afford an insight into foreign affairs and international relations which would be of great value and would meet a need that is increasingly felt. Steps will be taken shorty to ensure this publicity.

The progress and success of the League depend to an immense degree upon the Press, which can do more than any other agency to make it generally felt and understoon and to educate the citizens of its member states to a sense of its uses and of their own personal responsibilities towards it.

Hopeful or hopeless as we may be of the ultimate abolition of war, not one of us can escape the responsibility for doing what he can to delay or prevent it. Were it a question of making war milder, more humane, it would be difficult to combat the doubt whether such and aim were worth the effort. It is inevitable that with the advance of science, war should become ever more deadly, "civilized" only in the refinement of its cruelties, more and more ruthless and horrible. The chivalry in man revolts against instruments of torture and death like poison gas and poisoned wells—let chivalry be heard, but prudence and past experience tell us that in war pledges are but a flimsy protection from such methods of attack and the most honorable nation must go out prepared to meet and counter them.

A greater and more possible thing is asked of us. It is that every citizen of Canada should be brought to feel his or her individual responsibilities for war, his or her concern in war—that Canada should have a deeper consciousness of what was once the word of the seer and is now the commonplace of the business man, namely, that all men and nations are members one of another, that one can not suffer without all suffering with it, and that isolation, however it may be sought or willed, is actually impossible.

It is that men should be made to see the reality of war, its horror and its futility and that public opinion should be educated to seek some other way of settling international disputes than by fire and sword.

It is asked: Does Canada get any advantage by spending on the League $198,688 a year? The after-cost of war to Canada for this year is over a million dollars a week. On these facts let us compare the cost —and the returns.

There are before us the two ways. These are the alternatives, as the British Prime Minister has said, a League strong in the support of the nations and backed by public opinion, with peace—or a Balance of Power with war.

It is a choice between hope and despair.

"We have faith and not only faith but a steadfast hope in the League of Nations," says a representative Frenchman, interpreting the mind of France; and M.

Poincare hopes for "the consolidation of peace from its wisely ordered activity."

A reason for this faith which cannot be gainsaid is that the League makes for delay. Had the nations been pledged to delay in 1914, it is well within the bounds of possibility that the most terrible and destructive war in the world's history would have been averted.

The past is irrevocable.

The future is ours to make.

As is our call so shall be the answer.

Justice and charity alike demand that we should form our judgments of the League only "on evidence" and after fair trial—that we should do what we can to make it an instrument for peace, for the sake of humanity, as our sacred debt to those who died in the last war, and out of pity and justice for those who are to come.

John Montreal
R. Dandurand
George G. Foster
Athanase David
Julia Drummond
Vincent Meredith
A. W. Currie
E. W. Beatty
W. Sanders, Rural Dean, President, Montreal Protestant Ministerial Association.
M. J. Merritt, Rabbi
Margaret Hingston

I desire again to associate myself with every word which has fallen from the lips of the right honourable gentleman.

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

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

Hon. W. H. BENNETT moved:

That a special Committee of the Senate be appointed to inquire into and to report from time to time upon:

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8, of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudical to the property of the system or its proper operations, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs. * * * *

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

He said: Honourable gentlemen, when the charges were made in this Chamber, I think on the 7th of April, by the honourable member for Westminster (Hon. Mr. Taylor), honourable gentlemen on this side of the House, after hearing the charges, would, I think, have stood up in their places and said unanimously that there should be at once an investigation into them. Such was the nature and the gravity of the charges that no self-respecting Government could possibly ask themselves why the charges should not be inquired into; yet, to-day, after the press from the Atlantic to the Pacific has been reeking with these charges, the Minister of Railways and Canals in the present Government starts down deliberately and coolly says what? I will quote his words as published in the Montreal Gazette of March 22nd, 1924:

Hon. G. P. Graham, Minister of Railways, when asked to-day for an expression of opinion concerning the investigation proposed by the Senate, merely said that he was sufficiently human to have a respect for and confidence in every employee of the Canadian National Railways or the Canadian Government Merchant Marine until something substantial was proven to change his mind. So far, however, as the charges against men residing on the Pacific coast were concerned, the Senate would probably find it very expensive to bring all the witnesses to Ottawa.

As a matter of fact, Mr. Temple, of Winnipeg, made an investigation into these charges and is now preparing his report, the minister said. The evidence covered thousands of pages and to read and digest this thoroughly would take some little time.

It would only be fair that the committee appointed to investigate in the Senate should have this report before it before starting further investigation. However, the easiest and most direct and satisfactory manner of procedure would be for those who made these charges of conspiracy, etc., if they believe in them, to lay information either in the criminal or civil courts of British Columbia. This would give men, who declare their innocence, full opportunity to defend their character before a totally independent tribunal.

When a responsible Minister of the Crown will dictate an interview like that, all I have to say in answer is, in the first place, that he should apologise to this body. I care nothing whatever for what the Hon. George P. Graham says about myself, as a tried, salted, and wellknown politician, while he has practised the art of a politician in an endeavour to besmirch everybody; but there is this slur at the Senate, that this tribunal is not going to be an independent one. I am astonished that he should make that state-

ment in view of the fact that the Globe newspaper, when these charges came out, said what?

> Charges of grafting made against Canadian National Railway officials in British Columbia and of rum-running by men of the National Marine should be investigated publicly under oath. The National System, if it is to retain public confidence, must be above suspicion.

The Globe did not descend to personalities, as Mr. Graham has done in insinuating that an investigation by this body will not be a fair and independent one. The Minister should have posted himself a little better about what has been going on in the matter of this investigation under the Canadian National Railways. Had he done so, he never would have made the mistake that is shown in his statement. He states that the investigation as to these charges has proceeded before a Mr. Temple, who is now preparing his report; that the evidence covers thousands of pages, and to read and digest those would take some little time. Why does Mr. Graham not tell the whole truth about it? In what does the investigation consist? It is not under oath at all. Why did not the Minister add to his statement that the investigation would have to be taken for what is was worth, because the evidence would be only hearsay and not given under oath?

I am going to look now in another direction, and that is towards the President of this Railway System, because on Saturday last he gave an interview to the Toronto Globe. He took a rather better ground. I will not now read all he said, though I may do so before closing my remarks. He said:

> If criticism there was to be, he asked that it should be based on concrete points, such as service, courtesy of employees and the like.

Honourable gentlemen, I am not going to make any complaints against the courtesy of the employees of the Canadian National Railways. Who are the National Railway employees? They are the old men of the Canadian Northern, the Intercolonial and the Grand Trunk. I have not travelled in the past thirty-five or forty years on the Grand Trunk Railway without gaining a fair knowledge of it. Who ever heard any complaints regarding the courtesy of the officials of the Grand Trunk? Who are the men that constitute the officials of the Grand Trunk? Let me give some instances within my personal knowledge. There was on the Midland Division of the Grand Trunk for a great many years a conductor named Mr. Mitchell; another was Mr. Boundey, and another, Mr. Piggott. In what position are their sons? Mr. Mitchell was one of the highest officials of the Canadian Northern Railway, and was asked by this Government to retain the position that he held as custodian of the financial condition of the road. I do not know for certain, but I think Mr. Piggott is at present at Stratford as Chief Despatcher of the Grand Trunk Railway there. As for Mr. Boundey, he has, not one, but two sons who to-day hold the highest offices in the financial department of the Canadian National Railways.

The President of the System need not expect that I shall waste my time in trying to attack the courtesy of the employees, because no such attack can be made. These sons of those old employees hold prominent positions to-day because they are sons of worthy men and were honoured wherever they were known. What is the use of Sir Henry Thornton trying to introduce such matters as this?

But I do not take issue with him on the question of service, and I intend discussing that question. I assume that the word "service" includes the conduct of every man in the employ of this railway system, from the President down to the chore boys. If anyone is guilty of wrongdoing, the more important the position he holds, the greater is his offence. the greatest man on this whole system, is of course, the President. There is in the Dominion of Canada to-day no man who has a greater or higher responsibility than the President of the Canadian National Railways, and with that responsibility goes a deservedly high salary—a salary of $50,000 a year, as I understand. Associated with him is a Board of Directors, and it is well for the House to realize who compose that Board. I will give the names in the order in which I have them written here: Mr. McDougald, of Toronto; Mr. Décarie, of Montreal; Mr. Dawson, of Prince Rupert; Mr. James Stewart, of Winnipeg; Mr. Tom Moore, of Ottawa; Mr. Sinclair, of New Glasgow; Mr. Bell, whose residence is Ottawa; and Mr. Ruel, whose residence is Montreal.

Hon. Mr. CASGRAIN: What about Mr. Talbot?

Mr. BENNETT: The Government, for reasons best known to themselves, after a protest by the Liberal press in the Province of Quebec withdrew the appointment of Mr. Talbot; that was the explanation commonly given; and he was replaced by Mr. Décarie. I have not one word to say against any of these gentlemen. I think they are probably men well known in the parts of the country in which they reside. But the point I want to make is this, that, their residences being scattered from the Atlantic to the Pacific,

and their long distances from Ottawa, it is almost impossible for the gentlemen to attend every monthly meeting that is held. The country is fortunate in having on the Board, and within easy call, Mr. Bell and Mr. Ruel, who are well posted on the System and are in my opinion eminently clever men. But, after all is said and done, the control is vested in the President. For that reason, above all others, the country is entitled to consideration from him and has the right to review his actions.

How much money is invested in the Canadian National Railway System? We hear so many millions and hundreds of millions of dollars mentioned that one would hardly hazard a guess. We know that one section of it alone, the Government section of the Grand Trunk Pacific, cost $250,000,000 or some such figure. Add one figure after another running into hundreds of millions, and you have a sum that dazzles the imagination, and all this practically under the hand of one man. Therefore this country has the right to ask that the dealings of the railways should be open to the public gaze. After all, there is but one stockholder and that is the people of Canada.

The proposal to inquire into the affairs of this Railway Company is not a new one. When honourable gentlemen of the Liberal Party were in opposition they placed the question of investigating the system before the public at all times, and spoke with no uncertain voice. I will read now from Hansard of 1921. At that time there were not specific charges of grave import before the House, but it was simply a question of the general management of the road, and Hon. W. L. M. King moved the following, which will be found in Hansard, volume 2, page 1,761:

> That all the words after the word "session," on the second line, to the end of the question, be omitted and the following be inserted instead thereof:
>
> That such committee shall have power to inquire into all matters in any way relating to the railways owned or controlled by the Government of Canada whether under the direction of the Department of Railways and Canals or under any corporation in which the Government are stock holders, whether relating to the construction or operation, from the date of the appointment by the Government of the Board of Directors of the Canadian Northern Railway Company down to the present time; and similarly to inquire into all matters in any way connected with the Canadian Government Merchant Marine, either in respect of the construction or operation of ships, and that such committee shall have power to send for papers, persons, and records, to engage counsel and transportation experts, and to make such reports and recommendations from time to time as, in their judgment will be calculated to promote the public interest.

That was a most sweeping resolution regarding the right of Parliament to delve into the affairs of this Company.

Hon. Mr. BENNETT.

Hon. Mr. DANDURAND: How was that resolution dealt with?

Hon. Mr. BENNETT: I will come to that in a moment. Speaking to his motion, Mr. King concluded by saying this:

> In connection with this amendment, I hope the House will not lose sight of the fact that the country is demanding to-day full light upon the circumstances which have occasioned a deficit of something like $48,000,000 last year and $70,000,000 this year on the National Railways; also that Parliament is being asked by the Government to vote for railways and canals for the ensuing year a sum amounting to over $167,000,000, while thus far we have not been able to get any information of a substantial or vital character in regard to the operation, the control, and the management of these public services. It is to enable Parliament and the country to obtain the fullest light possible on these vast expenditures of public moneys that this amendment has been drafted in the comprehensive form in which it appears.

Everybody will admit that that was a most sweeping resolution, which, had it been carried by the House, would have called for an inquiry into all parts and conditions of this Railway System.

Honourable gentlemen will note that in the resolution that I have moved there is a clause directing the Committee not to inquire into the affairs of the Company for this year, because it would not be fair to hale before the Committee witnesses to prove what they were paying for this or for that in the way of supplies or construction or contracts being entered into. Yet this resolution of Mr. Mackenzie King's would have permitted inquiry into all such matters.

Hon. Mr. DANDURAND: Was it adopted by the Commons?

Hon. Mr. BENNETT: A long debate ensued. The resolution was not adopted, but the then Prime Minister, Right Hon. Arthur Meighen, moved this resolution, which was carried:

> That a select Standing Committee on National Railways and Shipping be appointed for the present session, and be instructed to inquire into the following questions:
>
> (1) What information as to the operations of Canadian National Railways and Shipping as conducted by the Board of Directors and Management should, in the public interest, be brought down in Parliament on Questions, Motion for Production of Papers, or otherwise.
>
> (2) When, by what method, and under what conditions, if any, should such information be given, regard being had for the necessity of securing to Parliament and the public all facts requisite for the determination of policy (including finance), and to the Board of Directors the best possible conditions for efficiency of management.
>
> (3) What system of auditing should be adopted, and what extent of detail should be given in the Annual Report.

(4) What if any improvement could be made in the general scheme of management.

(5) Whether and for what purposes the said committee should be continued, and that for the above purposes and for such other purposes as the committee deem in the public interest there be referred to said committee the Annual Report of the Board of Directors and that the said committee have power to examine witnesses under oath, to send for papers, persons, and records and to report from time to time.

In view of the fact that that amendment of the then Prime Minister was a sumptuary one, that inquiry should have been made, although there was a change of Government, but the present Government have not carried out the policy and have permitted the resolution to remain a dead letter.

Hon. Mr. CASGRAIN: And what happened at the time it was carried? Nothing.

Hon. Mr. BENNETT: Unfortunately I have not the date of that. It was towards the latter part of the Session.

Hon. Mr. DANDURAND: But the honourable gentleman, I think, has given the page at which the amendment moved by the honourable leader of the Opposition was printed.

Hon. Mr. BENNETT: Yes, and it will be seen from that. The reference I have given is Hansard of 1921, volume 2, page 1761. What happened then was that the House adjourned shortly thereafter, and the elections came on the following autumn, and the honourable gentleman knows what was the result.

Now, if the present government had been really honest in the position they took at the time in moving for such a sweeping inquiry into the affairs of the Railway Company and the shipping interests connected with it, why did they not then take action and have the matter delegated by the new Parliament to a committee with the powers conferred under the motion? However, they saw fit not to do so, and the result has been—what? That throughout the Session any honourable member may ask a question, and the Government decide whether or not they will answer it. Had they acted in accordance with the resolution adopted in 1921 there would have been appointed a Committee of the House who would have had full powers conferred upon them.

I do not believe that this Government realize what public opinion is with regard to either the condition of the country or the condition of this Railway System and the Merchant Marine. I will say this for the President of the System, that I do not believe he really knows what he is going on. I have no fault to find with the harmless amusements in which the President is said to indulge wherever he goes, such as shouting through a radio and urging the men to be of good cheer and good hope and telling them, "We are going to stand together." Nobody is asking these men to stand together. All the country asks of these men, from the President down, is to do what is fair and right, and if they do that the country will be indebted to them.

What is the condition of the country to-day as shown by the mercantile reports? I have here some clippings that I wish to read to the House. In 1922 there were in this Dominion no less than 23,676 failures, with liabilities of $623,896,251. In 1923 there were 18,718 failures, with liabilities amounting to $539,386,806. In 1921 there were a few million more than in 1922.

Hon. Mr. DANDURAND: Less last year than in 1922?

Hon. Mr. BENNETT: Yes, less by $5,000,000. However, as I remarked in the House once before, surely to goodness you do not expect failures involving liabilities of these enormous amounts to continue in the country forever.

Hon. Mr. DANDURAND: I would point out to my honourable friend that during three years the proportion of failures has been greater in the United States than in Canada.

Hon. Mr. BENNETT: There is the old story: if I have a boil I should not complain, because you have one. But the country looks for a business administration of the Canadian National Railways above all things, and to that end I am going to show some cases in which there can be business administration. It is not as if we had heard the last of these failures. They are continuing week after week. True, they are not as numerous as they were. There were perhaps fifty a year ago where there are only forty now. The only thing that I would say is this, that these failures involve an enormous amount, and that in 1914 and 1915 there were not half as many failures as there are to-day. Is it not high time that we should have an investigation of this colossal concern, the National Railway, and the Merchant Marine of Canada, in the interests of prudence and common honesty? It is for common honesty I am going to plead, and do plead in this connection.

Now, what has been going on? The President of this Railway happened to have, according to an item in the press, an acquaintance named Aronovici, who is a Rumanian, as stated in the newspaper. The President, in pursuance of what he thought would be a good line of policy for the benefit

of the railway, enlisted the services of this gentleman in a scheme of immigration of people to Canada from Europe, and a year and a half ago engaged him. I thought we had an immigration service in this country on which we are spending thousands of dollars, but this high official says that he is going to practise a new immigration scheme, and he enlists the services of Mr. Aronovici. After some time an answer comes down in the House of Commons that his services have been dispensed with, and for what he has done he receives $33,041.46; and that in order to rid the country of this undesirable attache of the President he was paid $7,500 as a solatium. So our acquaintance with Mr. Aronovici as an immigration agent and a representative of the President for immigration to Canada has cost this country some $40,500 in round figures.

Let us go on a little further. Last year the country got rather a rude shock when early in the Session certain questions were asked in the House of Commons relative to the acquisition of a property known as the Scribe Hotel in the city of Paris. I will not inflict on the House the long debate that ensued, but I have a portion of what occurred on that occasion. On page 3208 of Commons Hansard for 1923, volume 4, the answer is given by the Minister of Railways, Mr. Graham, that up to date the Government had not given its consent to the purchase of this so-called Scribe Hotel. The people were lulled into a sense of security by that statement, because the proposition seemed so wild that they evidently relied on the assurance of the Government that they had not given consent to this purchase, and by the very words of the Minister the House was allowed to believe that they were not going to give their consent. So the matter stood over from May 29 until June 7, when whispers got abroad relative to this celebrated edifice. On June 7, 1923, when the matter was discussed at great length, covering many pages of Hansard, the Minister said: "I think they made a good business deal." So the Government acquiescence had been secured; not only that, but the Minister expressed his opinion that they had made a good business deal. Yet, forsooth, now that it is acquired, this same Minister stood up in his place in the House on March 18th last, and said:

> I think it was a mistake at that time to acquire the Paris building; I have no hesitation in saying that—Liberalism is free to express its opinion. But it will not be so grievous a mistake as some people are trying to make the country and the world believe.

I think there are a good many Liberals in this country who are quite willing that Liberalism may express its opinion freely, but not spend the money of the people so freely.

Now, what happened next on the debate last year? The question was then probed into, and inquiry was made as to how the deal was being carried on. The law requires that a vote of such a large amount, about $2,000,000, would have to be passed by Parliament. But this Government, that sits there and gets its orders from the President to please send along $11,000,000 for the viaduct in Toronto, deals with this sum of $2,000,000 of the public funds in what manner? The information was not coming along very fast, and finally it was announced that some person had an option on this property which the Minister of Railways declared would be a good business deal. Of course, it is idle to conceal who the gentleman was who had the option; it was Mr. Aronovici, the immigration agent who profited by $40,000. He was pursuing bigger and larger game, namely, the Scribe Hotel, but was not able to finance it, as the Paris papers showed. The despatches to this country told what his standing was, so he had to go around and look for some means to accomplish his end, and at the same time the Government had to accomplish its object and meet his wishes in a manner that is not creditable to them. Parliament was not in session, or, if it was, the money had not been voted for this purpose, and until the money was voted the transaction was beyond the limit of the law, and an Order in Council would be required to appropriate the money. So what does this Government, so zealous for the weal of the people, do? They allow this gentleman to form a syndicate, and it was made up of men whom the Minister of Railways actually declares he did not know. I will read his very words: "I do not know their names, although I have heard the name of the Chairman." What was done by the Government then? The Government instructed the Bank of Toronto to take $2,000,000 out of the funds of the country and place them to the credit of this syndicate.

Hon. Mr. DANDURAND: The honourable gentleman is in error: the Government did no such thing.

Hon. Mr. BENNETT: Then all I can say is that if the honourable gentleman will follow me, if he can introduce that phase into the matter and prove it to the satisfaction of the House, he will prove something that no member of the Government dared to adduce in the other House when the matter was up. I confess there is a lot of light coming in on this subject from time to time.

Hon. Mr. DANDURAND: The National Railways carried on the negotiations for the purchase of this hotel, or this building, and closed the negotiations, and paid for it before the Canadian Government knew anything about it.

Hon. Mr. BENNETT: Then we will take the dates on the record. I have already read the statement by Mr. Graham: "I think they have made a good business deal." So he knew about it that early, when he made that statement.

Hon. Mr. DANDURAND: He was expressing an opinion as to something that had been done by others.

Hon. Mr. BENNETT: Yes, others; but are not the Canadian Railways under review today, as well as the connivance of the Government in the matter?

Hon. Mr. DANDURAND: There is no connivance.

Hon. Mr. BENNETT: I am quite willing to hook them up together if I can, because I think that will be the result. Then, let us take it on that basis, that $2,000,000 of the funds of the people of Canada—for the money of that railway is the money of the people of Canada—was transferred to the credit of this irresponsible Mr. Aronovici and a syndicate of men whose names the Minister of Railways said he did not know. This man of straw was handed the sum of $2,000,000 to play with. Thank God, he did not go to Brazil or South America with the money. They floated this scheme, they got the money, they formed their syndicate of unknown men, and cheerfully the Minister expresses the opinion, on page 3615 of Hansard:

"The Syndicate think they will make money out of it; they think it is a good purchase."

He did not demur to that. Again, on page 3615 will be found this statement of the Minister:

I said the other day the consent of the Government had not been asked to this transaction. The Board had a perfect right to enter into this transaction, and the matter was entered upon before the Government was consulted at all.

Hon. Mr. DANDURAND: That is what I have just said.

Hon. Mr. BENNETT: He says: "The President did not consult me."

Hon. Mr. CASGRAIN: Hear, hear: he never knew anything about it.

Hon. Mr. BENNETT: This is not under oath, you know. None of these statements are under oath, and what we ask is an inquiry under oath, to see what we may find out about it. Honourable gentlemen may smile, but the country is not smiling, and the Toronto Globe does not smile with them at all. The Globe, having regard for its standing as a paper, thinks it necessary to call this Government to account for the present, and say this matter must be inquired into—at least, that those charges in particular must be inquired into under oath.

That was the position of matters in 1923. Now we come down to 1924. We were told how the President had got rid of the services of Mr. Aronovici for some $40,000, and we read in the public press of the visit of Mr. Graham Bell to Paris. I will read from the Calgary Herald of January 30, 1924, this special despatch:

Major Graham Bell, Minister of Railways, has just returned here after several weeks in London and Paris on railway business, and he has something to say about the noted Hotel Scribe. "There is every reason for confidence," he says, "that the Hotel Scribe in Paris, which has been acquired by the Canadian National Railways, will not involve any adidtion to the burden of the system. All the floor space which will not be required by the Canadian National Railways or the Dominion Government has already been reserved by various financial and other institutions, many of them Canadian. We are persuaded that the revenue derived from rentals will not only pay for the maintenance of this office building, but will enable us to lay aside sufficient to build up a sinking fund to take care of the capital outlay."

Now, when the honourable gentleman reads the House reply—because I take it that he will—I hope he will give us a list of the engagements of those financial concerns that have entered into contracts for space in that building. I would be bound to say that they have not made a contract with any person, and none of them have been produced.

A certain amount of information about this hotel has been extracted in the House of Commons. A question was asked on April 24, on page 1258:

Sir Henry Drayton:

1. What was the total amount paid by or on account of the Canadian National Railways for and in connection with the Hotel Scribe, Paris?

2. Was the said amount paid out of the cash receipts of the National Railway? If not, how was the purchase financed and at what rate of interest?

3. What is the name of the company now nominally owning the Hotel Scribe and who are the directors?

4. What is the total amount of taxes paid or payable in respect of the said hotel for the year 1923?

Hon. Mr. Grahem: I have asked a good many times that this question stand. The difficulty is in getting from Paris the information which has been asked for. It has been cabled for.

Now mark! The acquisition of the property had been made in 1923, and up to 1924 this Government had been so derelict in its duties that it had not even telephoned to the President in the city of Montreal to

find out anything about it—because there is the Minister's answer, and they have nothing to say yet; but he is trying to get the answer, so that the people of Canada may know something about this whole deal.

We come then to April 24, and by good luck the country was permitted to know something of what had become of the whole deal:

Sir Henry Drayton:

1. What was the total amount paid by or on account of the Canadian National Railways for and in connection with the Hotel Scribe, Paris?

2. Was the said amount paid out of the cash receipts of the National Railways? If not, how was the purchase financed and at what rate of interest?

3. What is the name of the company now nominally owning the Hotel Scribe and who are the directors?

Hon. Mr. Graham:

1. $2,733,693 including cost of property, taxes, imposts, removal of tenants, etc.

2. Current cash.

3. Société Anonyme Immobilière de la Rue Scribe; S. G. Archibald, Arthur Vanson, F. A. Young, Major Graham A. Bell, H. W. Harding.

I do not know who any of those gentlemen are apart from Mr. Bell. Perhaps the leader of the House will tell us when we get through. Then follows this other question:

Sir Henry Drayton:

Was the title to the Scribe Hotel, Paris, taken in the name of Aronovici, when first purchased by the Canadian National Railways?

The answer was:

Yes.

So it was taken in his name when the $2,000,000 was advanced.

Has the title to the said hotel been since transferred by Aronovici, and if so, to whom?

The answer was:

Société Anonyme Immobilière de la Rue Scribe.

This is the unpronounceable name of the Company.

Hon. Mr. DANDURAND: It is an anonymous society—Société Anonyme.

Hon. Mr. BENNETT: Then comes the question:

What taxes or imposts were paid in connection with such transfer from Aronovici?

The answer was:

$62,153.39.

So that if you deduct from this amount that was paid, $2,733,000, the $62,153.39 it will give an idea of what the commission was, apart from the arrangement with some tenants, that went to this gentleman who was the lucky friend and confidant of the President of the railway.

At 6 o'clock, the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. BENNETT (continuing): Honourable gentlemen, I will conclude the remarks I have to make on the Scribe Hotel with a few references to the financial aspect. In answer to a question asked in the House of Commons on May 14, 1924 it is stated that there was paid for the hotel property 28,000,000 francs, or approximately $2,000,000. The sum of $2,733,693, included the cost of the property, taxes, imposts, removals of tenants, etc. A reference to the question and answer will show that the cost of the hotel property was $2,000,000; so there is a difference between the cost of the building and the total cost of $671,540. In answer to another question on April 24, 1924, the statement is made that the taxes on the property amounted to $10,939.65. Take that from $671,540, there is left a balance of $660,600. That includes the land taxes and fees that would be payable to the State, because I am informed that they have in France land taxes such as we have in the province of Ontario. The question naturally arises, where did this $660,600 go? Was that a commission paid to Aronivici and perhaaps some unknown persons? That is a large amount, from which there will be deducted, if we ever get an examination into the whole matter, the item of the land taxes. I do not know what the land taxes are in France, but I will hazard this: that when we go into the question it will be discovered that by bungling and bad management there were two land taxes paid, because, as will be remembered, in the first instance the title is in Aronivici, and when the title passed to him there would be a land tax payable; and then when he transferred it to the present syndicate who represent the Government of Canada or the Canadian National Railways there would be an additional tax. These figures can only be ascertained by a full and fair inquiry under oath into the whole situation.

I am now going to refer to the handling of the Marine service connected with the National Railways. There has been in Canada ever since the war a great deal of complaint about the immense cost of the fleets that were placed on the ocean by the then Government. I am not going to enter into a discussion as to whether what was done was right or wrong. Had any man been wise enough to know the exact date upon which the war would end, no doubt there would not have been as many ships built, and many other huge expenditures would not have been made. But as we have not a Solon in Canada, a large number of ships were built, which, unfortunately, turned out to the detriment of Canada from a financial point of view. As

my honourable friend the leader of the House is always anxious to compare our performances with those of the United States, I can only say that the over-expenditures in the naval service made by the United States were colossal as compared to those made by Canada. I think I can prove to the satisfaction of any unprejudiced mind that we in this country have lost thousand of dollars owing to the way this fleet of vessels has been handled. I am not going to refer to those on the ocean, because I do not profess any knowledge about them, but shall confine myself to those on the upper lakes. I have asked a series of questions in the House as to the fleet that was placed on the Great Lakes, and will now give, for future reference, a list of the vessels owned by the Canadian National Railways, or by Canada, that are on the upper lakes, together with the carrying capacity of those vessels. There is the T. J. Drummond.

Hon. Mr. CASGRAIN: Is that a Government boat?

Hon. Mr. BENNETT: Yes. The T. J. Drummond, with a carrying capacity of about 100,000 bushels; the J. A. McKee, with a carrying capacity of probably 115,000 or 120,000 bushels; then there was the Arthur Orr, with a carrying capacity of 145,000 bushels; there was the Kearsarge, with a carrying capacity of 100,000 bushels; the Canadian Adventurer, with about 110,000 bushels; the Canadian Pathfinder, the same; the Canadian Sailor, the same; the Canadian Signaller, the same; the Canadian Sower, the same, the Canadian Trader, the same; the Canadian Warrior, the same, the Canadian Engineer, the same. Honourable gentlemen will see from that that there was a fleet on the upper lakes, placed there a couple of years ago, consisting of twelve vessels.

Hon. Mr. CASGRAIN: Are they 'tween decks?

Hon. Mr. BENNETT: I will come to that in a moment, perhaps. Those twelve vessels had, in round figures, a carrying capacity of 1,500,000 bushels; that would mean that from the head of the lakes to Buffalo there could be transported by this fleet every week a million and a half bushels of grain.

A year or so ago, when there were such hard times, at least in the three Western provinces, when the farmers were complaining bitterly about the rates that were being charged by vessel combinations on the upper lakes, the Government instituted an inquiry into the matter. I have no doubt, although I have not seen the figures as yet, that this inquiry cost upwards of $25,000.

Hon. Sir JAMES LOUGHEED: It was a cheap Commission.

Hon. Mr. BENNETT: The fees paid to one lawyer alone amounted to $9,000. But I do not say the Government were wrong in appointing that Commission; I think they were perfectly right. But what a state of affairs was disclosed! It was shown that the farmers had had extracted from their pockets, by the brigands who were in charge of the system of levy and assessment, hundreds of thousands of dollars in insurance commissions and in other ways. This was public knowledge last spring; it was well known; it had been published in the press throughout Canada—and here was the season of navigation coming on, when it was to be expected that a Government with a knowledge of the facts would be doing something. They had not risen to the emergency and made criminal prosecutions, as they well might have done, although the Winnipeg Free Press and others were urging that those connected with the transaction should be prosecuted. Evidently believing they were immune from any action on the part of the Government to curb their greed and avarice in the year 1923, after the results of that inquiry had been laid bare before the public, what did the vessel owners do? A combination of those vessel owners and others placed the freight rate at 6 cents a bushel. Here was a great opportunity for the Government. They had a fleet of vessels that could move a million and a half bushels a week; and further, I am told that at the same time there were tied up in the city of Montreal six other vessels of a similiar class which could have been taken up there to aid the fleet to help the farmer of the West. Was that done? Here is a record that shows what was done by the Government last year in that connection. The rates were so excessive and the complaints of the Government allies in the other House, the Farmers' party—then their allies, now their masters—were so persistent that the Government placed some of these vessels on the upper lakes and started in operation a fleet that could transport a million and a half bushels every week, making the round trip.

Now, let me give some figures from the return. The Canadian Adventurer showed a net profit of $6,883; the Canadian Engineer, a deficit of $4,450; the Canadian Pathfinder, a profit of $13,342; the Canadian Sailor, a profit of $5,464; the Canadian Signaller, a deficit of $8,973; the Canadian Sower, a deficit of $1,153; the Canadian Trader, a profit of $17,078; the Canadian Warrior, a deficit of

$10,007; the T. J. Drummond, a profit of $7,-200; the McKee, a profit of $7,000. The two biggest boats in the fleet showed deficits, the Arthur Orr having a deficit of $21,280, and the Kearsarge a deficit of $11,788.

Hon. Mr. CASGRAIN: How do you account for those deficits when they had so much grain to carry?

Hon. Mr. BENNETT: That is what the public wants to know.

Hon. Mr. CASGRAIN: The honourable gentleman ought to know. He is well posted, and lives on the Great Lakes.

Hon. Sir JAMES LOUGHEED: Could the honourable gentleman say what the net profits are? Does that mean interest on the capital?

Hon. Mr. BENNETT: No, that is on the net earnings.

Hon. Mr. CASGRAIN: Why would one vessel earn and another one lose? How does that come?

Hon. Mr. BENNETT: I will come to that in a moment. The Arthur Orr had a capacity of 145,000 bushels, and the Kearsarge of 160,-000 bushels. Remember, those are the two best and biggest boats in the fleet, and should have been the most profitable ones; yet they have the hugest deficits of the lot. Why, you can hardly handle some of those boats without making money. The explanation is this. It was only by fits and starts that the boats were dragged out and put into service. But no man can convince me that there was not some flaw or bad management in connection with the Arthur Orr and the Kearsarge, until I hear that evidence under oath. Why were not those vessels all put out at the start of the season? The Arthur Orr would carry freight worth $9,600 every week, and yet showed a deficit on the season's operations of no less than $11,788.

But that is not the worst of it. The handling of those boats is what I am complaining of. I do not say the President handled the boats, but I say there is some person with a bad influence handling them, in that way, and for reasons best known to himself, and only an inquiry can bring out how it was that they were so handled.

Hon. Mr. CASGRAIN: Who was the General Manager?

Hon. Mr. BENNETT: Tedford, I think, is the second, and Teakle, I think, is the superior man.

Hon. Mr. CASGRAIN: He is not superior if he cannot do better than that.

Hon. Mr. BENNETT: I asked another question in the House the other day as to the prices paid for the carriage of coal on the Great Lakes for the Canadian National Railways. I received a letter then from the Secretary of the Department, Mr. Yates. The Government, or the Department of Railways, did not think it was proper to tell the rates at which they were carrying coal. I acquiesced in that and asked him if he would simply write me a letter stating the quantities of coal that had been carried. I said that would suffice for my purposes. Thereupon I received this memorandum or letter from Mr. Yates:

> With respect to your question on the Senate Order Paper re coal contracted for by Canadian National Railways for delivery to Great Lake ports, I beg to advise you that the following tonnages were handled last year to the following ports:
>
> | | Tons |
> |---|---|
> | Depot Harbour | 52,509 |
> | Key Harbour | 200,557 |
> | Midland | 158,084 |
> | Port Arthur | 372,985 |
> | Fort William | 735,564 |
> | Superior | 74,436 |
> | or a total of | 1,594,135 |

Mark you, that was coal carried for the Canadian National Railway—this company that had, as I have shown, that large fleet on the upper lakes and a number of boats of a similar class available at Montreal. Now, why did not the company place them in commission to carry that coal? Why, it is easy for any man who contemplates the situation for a moment to see why it was all done Had the Government boats moved forward and carried what they could of the two million bushels a week of grain at six cents a bushel, the competition would be so keen that the men who had been charging, and had been proven guilty of charging, excessive freight rates in the year before, would have had a competitor in the field. Competition was the very thing that the management of this road apparently did not desire. And would you believe, honourable gentlemen, what this Government, or the Department handling the ships, were doing? Remember that there were, in round figures, 1,600,000 tons of coal to be moved. My honourable friend from De Lanaudière (Hon. Mr. Casgrain) will agree with me that the rate would be fifty cents to the head of the lakes.

Hon. Mr. CASGRAIN: It would not be that much.

Hon. Mr. BENNETT: There was $800,000 that might have been earned by those boats, a number of which were tied up at the dock. And who do you think were getting the carrying of the coal? Let me read another part of the letter:

There were no signed contracts for floating this coal, and the tonnage was divided between the Canada Steamships Lines and the Playfair interests, the idea being to give Canadian bottoms the preference. When the Canadian bottoms were not available other vessels were used.

Now mark those words: the Canadian bottoms were to be given the preference, provided they belonged to either of these two companies—not the Canadian-owned vessels of the National Railways. Oh, no, they were to have no preference: they were not to be allowed in the trade, because the Government would not put them in, and if they wanted to carry the coal for the Railways they could not carry it, because the business had been given to those two favorite private companies.

In the first place, let us deal with the matter from this angle. These are not the only two companies in Canada that have large freighters on the Upper Lakes. Apart from the Canadian Government fleet, there is in the city of Toronto a firm known as the Matthews Company, or Matthews Brothers. They have some of the finest vessels on the lakes. Apart from the Grant Morden, they have, I think, two of the largest Canadian-owned vessels, and be it said to their credit—and I wonder what enourages them, considering how they are treated under this Government—they have been building in Collingwood, during the past winter, another large vessel, which will have, I understand, a sapacity of 400,000 bushels.

Hon. Mr. CASGRAIN: That is the Playfair Line.

Hon. Mr. BENNETT: No, the Matthews Brothers. Then there is the Sault Corporation: it has a considerable fleet. There are a number of other vessel companies that I might mention, having their headquarters in Montreal, in one place or another. But, honourable gentlemen, the Canadian National management say: "You must not have a pound of this vast quantity of coal to carry, because it is being saved up for the Canada Steamships and the Great Lakes Company."

Consider the advantage to Canada and to the Canadian National Railways if the Government vessels had been permitted to carry the coal. Mark you, 1,182,985 tons of this was destined for Fort William, Port Arthur and Superior. The Government vessels would have gone up carrying that coal and made a decent freight at half a dollar a ton, and would return with grain at six cents a bushel.

Hon. Mr. McMEANS: Can boats that carry grain carry coal?

Hon. Mr. CASGRAIN: Oh, yes.

Hon. Mr. BENNETT: My honourable friend is a land-lubber.

Hon. Mr. CASGRAIN: He lives in Winnipeg.

Hon. Mr. MURPHY: He was born on the Red River.

Hon. Mr. BENNETT: Honourable gentlemen, consider the taxation this country has to bear to-day. You are faced with taxation whenever you go into a bank with your cheque to have it cashed, or when you enter a store to buy an article on which there is a sales tax, or when you pay a bill and have to put a tax stamp on your cheque. It seems inconceivable, that the Government stand for such management as that by the Canadian National Railways and allow the interests of the country to be sacrificed.

Go a little further with this precious letter:

When the Canadian bottoms were not available other vessels were used.

In other words, when the Canada Steamships Company or the Great Lakes Company had not a vessel, then other vessels were used. I wish that there were sitting in the House to-night, as there should be, a representative of these Railways, who could correct any statement that is wrong. Is not the Canadian National Railways management sufficiently interested in the complaint of the Senate of Canada to have a man here? I see officials of the Railway float into Midland in their private cars, and they are bobbing up all over the country, but this matter does not seem to have their attention even to the extent of their sending up here a clerk who could be interrogated as to whether statements made are right or wrong.

Once again I wish to emphasize that statement that "when Canadian bottoms were not available other vessels were used." The town of Midland has in it many young men who are captains, engineers, and boatmen of different kinds, and all last summer there you could see—what? the coal that was being carried there to the tune of 158,000 tons. Vessel after vessel was American. I want the honourable leader of the House to take note of this specially, and ask the Canadian National clerk, before he makes a reply in this House, whether my statements are not true.

Hon. Mr. DANDURAND: I intend to have the officials of the Merchant Marine read my honourable friend's speech.

Hon. Mr. BENNETT: And they will tell you they are true.

Why were these American vessels used? Because, the two companies having a blanket order, no other concern could poach on their preserve; nobody else could get any of the $800,000 for carrying freight. If you figure it at 50 cents a ton, you will see that

the amount was $800,000, or $400,000 to each company.

Hon. Mr. CASGRAIN: They would not get 50 cents a ton going to Midland.

Hon. Mr. BENNETT: Then, whatever it may have been. I think they would get that, and I will tell my honourable friend why. When they went to the head of the Lakes they would return with a cargo of grain. When they went to Midland they had to come out light and then proceed on their way, and they would probably have to go three hundred extra miles; so I think they probably would get the same freight. However, it meant nothing to them. The only trouble that occurred in the blissful lives of these two favourite companies was that they had to go for vessels to the United States, where any number of vessels were to be had, and they could secure them at the lowest possible figure, hire them and bring them over. And here were young men in Midland who could not get employment on these American vessels—of course not. To the annoyance and mortification of the people in Midland, here were these American vessels carrying in coal, whereas Canadian vessels were not allowed to participate in the trade at all or even to compete for it in the first instance.

Hon. Mr. MURPHY: May I ask the honourable gentleman, is there any relationship between those two companies?

Hon. Mr. BENNETT: No, they are quite separate. There is no affinity at all between the Canadian Steamships and the Great Lakes Company.

Hon. Mr. MURPHY: I understood there was.

Hon. Mr. BENNETT: Now listen to this:

The Management state that it is not possible to carry the Railway's coal in Government-owned vessels owing to the construction and small capacity of the C.G.M.M. vessels on the Lakes, which prevents them from carrying coal for the same cost as vessels specially constructed for the purpose.

Now, I ask my honourable friend, who is a director of the Canada Steamships, have they a vessel constructed with a patent carrier for carrying coal?

Hon. Mr. CASGRAIN: We shall have one this year.

Hon. Mr. BENNETT: Yes, but they had not a vessel constructed for carrying coal at all; they were just on a party with the other vessels.

Hon. Mr. CASGRAIN: Oh, no. The honourable gentleman will not compare 'tween decks with the lake freighters. You cannot get coal into 'tween decks or out of them very handily. The honourable gentleman knows that. On the other hand, the lake freighters have only hatches, and they are opened and the coal is poured out. The honourable gentleman knows that as well as I do.

Hon. Mr. BENNETT: I will answer that question immediately by reading from one of these papers:

The steamer Canadien Logger, recently sold by the Canadian Government Merchant Marine to the Kirkwood, Line, Montreal, as been rechristened Torhamvan by the latter company and will shortly load cargo at Great Lake ports for Vancouver, sailing via the Panama Canal.

Here is another one regarding a vessel called the Belchers, which was one of those vessels held at Midland all last winter. My honourable friend (Hon. Mr. Casgrain) wants to make out that those vessels are useless, and here are private parties going and buying them and putting them on right in competition with his own fine boats.

Hon. Mr. CASGRAIN: Why do they not buy the six that we have had tied up in the Harbour of Montreal for two years? You cannot get them to be taken even for scrap.

Hon. Mr. BENNETT: My honourable friend knows that the Management of the Canadian National are doing everything possible to black-eye these lines, and despite this fact practical vesselmen will go and buy the vessels. I have no doubt that more have been sold than these two. Furthermore, my honourable friend knows that the vessel market is glutted to-day.

The writer of that letter addressed to the Department here has set down deliberately the statement that the vessels used are specially constructed. The implication is that the vessels of those two companies are specially constructed for the purpose of carrying coal. My honourable friend admits that they have not a vessel specially constructed for the purpose of taking out coal.

Hon. Mr. CASGRAIN: Our freighters have no 'tween-decks.

Hon. Mr. BENNETT: I will not contradict the honourable gentleman.

Hon. Mr. CASGRAIN: Has the Grant Morden 'tween-decks?

Hon. Mr. BENNETT: I do not think she has, but she is not specially constructed for handling coal.

Hon. Mr. CASGRAIN: She is.

Hon. Mr. BENNETT: The other company, the Great Lakes Company, has, out of a total

of twenty-eight vessels, one boat that has on it a coal-carrier—only one in the whole lot. Yet the reason is given, and sent up here, in answer to a request made in the Senate, that these vessels used by the Government are specially constructed for the purpose. My honourable friend complains about these vessels, which must be black-eyed and blacklisted, that they cannot make money. How is he going to get over these returns? Here is one that shows that the Canadian Trader had a net profit of $17,078, and had she been carrying coal she would probably have made $35,000 in the season. Away with such absurdities as the statement that the Canadian National is being conducted so as to make these vessels pay. They are being operated for other purposes altogether—first, for political effect, and in the next place in order to see that their friends get the plums that are being dropped for them.

Hon. Mr. DANDURAND: Perhaps my honourable friend could tell us whether the Management which was organized prior to the coming into power of the present Government has been changed within the past two years?

Hon. W. B. ROSS: It has had a change of heart.

Hon. Sir JAMES LOUGHEED: It takes its instructions from the Government, I suppose.

Hon. Mr. BENNETT: I will not venture an opinion as to whether Mr. Teakle was there under both the former Government and the present Administration. I do not know whether he was or not, but I will say this, that surely this government who allege that they have business men at their head, seeing these vessels tied up in the city of Montreal, ought to take the time to suggest to the Canadian National management: "Why do not these vessels go out and carry something —do something in the way of business? But the fact is, they have been selling these vessels, and the purchasers have been putting them right in commission. I noticed the other day—for I often read of the shipments of grain from the head of the Lakes—that the Belchers, your much-despised boat, has come down with a cargo of grain; and she is carrying it at the very same figure as the others, or she would not get the trade.

Hon. Mr. CASGRAIN: The honourable gentleman knows that it is cheaper to keep a boat tied up at present than to send it out, because boats are operated at a loss.

Hon. Mr. BENNETT: My honourable friend does not know what is going on, even with the Canada Steamships; so I will tell him something that will cheer him up. The present of $400,000 worth of freight that was made to his company last season, without competition, was not sufficient for them, and here is the news which will be cheering to the honourable gentleman as a director of the Canada Steamships Line.

Hon. Mr. CASGRAIN: I hope it will make the stock rise.

Hon. Mr. BENNETT (reading):

> The Management expect to move approximately the following tonnages of coal to Lake Superior and Georgian Bay ports this season, 975,000 tons.

So, while his company and the other favourite company will not have as fine a crop as they had last year, they are to have the carriage of nearly another million tons this year, and without competition and at the price they fixed for themselves.

That is not the worst feature. Let me show another way in which these National Railways cripple this country and pile up huge deficits for it. I wish Sir Henry Thornton would take my advice. I do not flatter myself that he was prompted to take action by anything I said last year, but, as the honourable gentleman will remember, I urged most strongly upon him, from my place in this House, the advisability of having an addition to the elevator capacity at Midland. My honourable friend will remember that I made my argument along this line, that to the two large elevators there, one with a capacity of two and a half million bushels, there should be added a further capacity of one million; and I am glad to say that that additional accommodation was added last year. We have to-day those two huge elevators with a capacity of about 5,000,000 bushels. Now, what are you doing for your elevators up there? Here is the season of grain-carrying. Read the reports day after day, and you will find the rush to Buffalo. What is the trouble with the elevators at Midland? The cogs are silent; only a handful of vessels have gone in there, and I do not know whether the Merchant Marine fleet has yet been put out on the lakes. Good management would be doing that this year; and remember, as the rates are low with those vessels, it is estimated there are 100,000 tons to be carried. The Government should have these vessels on between the head of the lakes and Midland carrying grain, then sending them all down to Buffalo or Cleveland for coal, and having them go back to the head of the lakes with a cargo of coal. But are they doing that? Of course, they are not. That would inter-

fere with the Canada Steamships Company and with the Great Lakes Company. What is the other result of it? Not only have you this large investment in those two huge elevators, one with 1,000,000 bushel and the other with 4,000,000 bushel capacity, standing practically idle, but you have 150 miles of railway doing practically nothing beyond its passenger trade. The Canadian National is the only system that runs from Midland, to Lindsaw, to Peterborough, to Belleville, and then on the main line of the Grand Trunk. If your Canadian Government vessels were carrying that grain from Midland, your elevators would be active, and trains would be passing out of there, but not a bushel of grain, comparaively, is being carried on them. Why is that? Because you must not interfere with those two steamship companies. My honourable friend from New Westminster (Hon. Mr. Taylor) alleged the other day that parties were being "greased" out there—to use a common phrase—and that that was how all those iniquities were going on. I wonder if anybody is being greased in Montreal in connection with this railway, to see that those two favoured companies have all this business?

Now, let the House be seized of that position. Here you have 150 miles of first-class railway up there, that in former years was carrying a large quantity of grain, that could have its own line of 15 or 20 vessels, to bring freight up from Montreal and employ both the elevators and the railway.

Some gentlemen may say that that is rather wild talk—that there is no other freight business up there except in grain; and one gentleman asked me if there was not lumber up there. No, there is no lumber trade up there for that 150 miles of railway, for this reason, that below Midland, at a distance of about three miles, there is a cut-off that runs over to a line running from Penetanguishene to Barrie, and that cut-off line intercepts the lumber there below Penetanguishene. The result is that we have two large mills in Midland cutting enormous quantities of Lumber, but they do not ship down the main line, as they did years ago; they run down those three miles to this cut-off, then cross over on the Penetanguishene branch and run down that way.

Some person conversant with that country would say: "What about the large mills at Victoria Harbour?" But that lines does not go down there; so that practically for 80 per cent of that line there is nothing doing at all, and the wheels are rusting on thousands of cars that could be used on the Government railway, and the rails themselves would grow rusty if it were not for the small grain trade that is being carried on to-day from freight.

Let me turn over the page, and show you another picture. If you stand at the town of Midland and look to the mouth of the harbour, every week you will see five large C.P.R. vessels going up and down, loaded with flour on the down trip, and even going outside to hire other vessels to carry flour, as they did last year. I do not say those boats are going at that rate all the season, but they are going part of the time.

Hon. Mr. CASGRAIN: Why don't they hire the Canadian Government boats? They would get them cheap.

Hon. Mr. BENNETT: I do not think the C. P. R. would be allowed to have those boats for any money. It is not the business policy of the Canadian National Railways to make money out of those boats; apparently it is to lose money. More than that, if you look at the returns from Fort William you will see every day or so accounts of vessels going over to Duluth filled with screenings from the elevator, as they are called. You could get a lot of work there, but there is never a Canadian National boat on that trade.

Let us be charitable and believe that the management of those boats is thoroughly and utterly asleep, and do not know what is going on in the world, rather than incline to the idea that they are in complicity with other companies in giving them the business.

But that is not the only place where the Company could be carrying on up there. Just look at the map, in your mind. There is Chicago, a short run across from Midland or Depot Harbour, and you could carry corn that is offering, or early summer grain, and the wheat that is offering, and it could be carried on those Government boats to Montreal and then distributed to the eastern cities. Under Mr. Charles M. Hays the old Grand Trunk, with its attenuated outfit and limited capital, was doing business where this concern to-day, with its untold millions, does not know where to look for business. My honourable friend nods his head.

Hon. Mr. CASGRAIN: I say Government ownership is no good; I have always said that.

Hon. Mr. BENNETT: Government ownership is no good under its management to-day.

Hon. Mr. CASGRAIN: Under any management.

Hon. Mr. BENNETT: Then we must try to expose its extravagance, in the hope, futile though it may be, of improving it. Every

word that I have said about the failure of these Government officials to do business over that line of railway from Midland down to Montreal, both as to American grain and Canadian grain, applies with double force against the line from Parry Sound to Depot Harbour. What are they carrying on for? This management does not want to make money. They sit up at nights and look at that awful sinner last year, the Canadian Trader, making a net profit of $17,000, and saying: "Spike her this year; see that it does not occur again." I would like to have one of those officials before a Committee and ask him the simple question: "How did you ever let that one escape and earn $17,000 in a season? Why didn't you get her into a hole with the other three or four or five, and be able to show a deficit?"

Now, I do not say that the C. P. R. is carrying enormous quantities of grain through Port McNichol this year—I am speaking about grain in bulk—because it is a well known fact that the greater part of the grain is gravitating to Buffalo and Port Colborne, and there being transhipped into smaller boats. I think the work of the boats of the Great Lakes Company proves that, too; they are transhipping grain there, while your lines from Parry Sound or Midland to Montreal are not doing business. Why should you not concentrate on those two points with your vessels and your railway and your elevators, and try and do business? What explanation can the management give? There are only two explanations—the people in charge of this organization are either knaves or fools, and the public will never know it until it is all inquired into.

Hon. Mr. DANDURAND: I venture to say that all those gentlemen handling the Merchant Marine were selected by the Administration that preceded this one, and that no change has been made.

Hon. Mr. BENNETT: Well, that is a poor answer.

Hon. Sir JAMES LOUGHEED: Why not make a change?

Hon. Mr. BENNETT: It is a poor answer. Fancy the blindness, the listlessness of the present Government, and more particularly—with all due deference to their representatives in the Government from Montreal—that when they see these vessels, as they saw them last year, tied up at docks, under this Management, they did not seek for some way of changing such conditions. Cannot some business method be brought into the matter?

Now I want to call attention to this question about those boats being undesirable owing to their construction, and the small capacity which prevents them from doing the trade, and so on. I have in my hand a list of one of the favoured companies, the Great Lakes Company, with 28 vessels.

Hon. Mr. CASGRAIN: Is that the Playfair Company?

Hon. Mr. BENNETT: Yes, the Richardson-Playfair or whatever you may call them—the Great Lakes, Glen Steamship, or Glen Line; but they are all the same company—the Great Lakes Company. Now, out of those 28 vessels there are 15 that have a lower tonnage than these vessels, yet they are employed with sagacity and wisdom on the line from Port Colborne down to Montreal. They run the larger vessels down to the lake ports, and discharge to the others. In that way they have a clever business arrangement, and I presume that arrangement was followed out by the Canadian Steamships Company as well. So that the statement that these boats are too small is absurd.

And was it not the unkindest cut of all when I discovered from the public prints that they have sold two of those boats which they say are too small for the work, and undesirable for any purpose, even carrying coal; and after they had unloaded those two boats they actually would not let them carry the Government coal? At least, the Government might have given them a chance to carry the coal.

Now, what is the trouble about those boats that we hear so much of? Those boats were built during the time of the war. They were constructed for Atlantic sailing—ocean service. The boiler and the engines are placed in the center, or amidships, and at each end is a space for grain. When one of those boats comes up to the elevator the leg of the elevator moves out at the port bow, and then goes to the stern, and empties the part out there. Now, where is the handicap? There is no handicap at all on them.

Hon. Mr. CASGRAIN: The honourable gentleman knows very well that the great lake freighters have, hatches the whole length of the ship, and others, the 'tween decks, are not made to carry grain profitably.

Hon. Mr. BENNETT: I will come to the 'tween decks that trouble my honourable friend so much, but he will agree that although the machinery is in the center they can be unloaded—first the portion at the stern and then the portion at the bow.

Hon. Mr. CASGRAIN: But they are not profitable in operation.

Hon. Mr. BENNETT: There is the point. Now, my honourable friend will not contend

that the ordinary grain freighter, when she goes up to the elevator, discharges all the cargo at the forward hatch and is never moved. That is absurd, because in the bulk of hoppers, when they take out of the bow of the boat, they move her backwards and forwards to the other hatches, and that is the way they have to treat these boats, too. But better than all that I can tell him—and I will not be personal about the matter—there have been none of those boats lost on the Great Lakes, where some other companies have lost boats, because they are bigger, better and stronger boats.

Hon. Mr. CASGRAIN: Yes, that is right.

Hon. Mr. BENNETT: And if human life means anything to the Government they need not be afraid to put those boats out to Lake Superior, because I have been told that when other boats were lying tied in behind a point these went out on the lake.

Hon. Mr. CASGRAIN: But they are not profitable lake carriers.

Hon. Mr. BENNETT: Now, I have a poser for my honourable friend, who is so strong in defence of this company, and thinks because they are not ordinary lake-carriers that they are an unfortunate holding for the country. I would ask my honourable friend to look into the fact. The T. J. Drummond was an ordinary lake freighter, and the A. J. McKee was also, and yet they sold those two boats. The choice boats they sell. Why, it is all humbug, and the honourable gentleman knows it. Some of his friends of the Canada Steamships Company wink the other eye and say: "What a great thing it is to start out for our earnings with half a million tons of coal to carry." Look at the advantage they have over other companies. Matthews Brothers' huge boats are not allowed to compete at all, because the business is all allocated to those two. What a cheerful matter of consideration it must be when the Great Lakes Company and the Canada Steamships Company read items such as this, that appeared in yesterday's papers:

Cleveland, May 20.—Wild cargoes are very scarce in other lines, as contract tonnage is taking about all the business, and some coal carriers are taking short loads. There is no change in sight, and owners will have to hustle to keep all boats that are in commission busy. The car supply is good, and ore carriers are not spending much time in port.

No worry for the Canada Steamships and the Great Lakes Companies; they have their cargoes secured, thanks to those kindly officials, for the whole season. "Rest and be thankful, and let the public be damned."

Hon. Mr. CASGRAIN: I hope you are telling the truth. We have not paid a dividend for three years on the preferred stock.

Hon. Mr. BENNETT: My honourable friend will go into another field to look for the losses on the Canada Steamships and not on the Great Lakes. Are these matters for investigation, gentlemen? Why, you have hundreds of thousands of dollars invested in vessels.

Hon. Sir JAMES LOUGHEED: Millions invested.

Hon. Mr. BENNETT: Millions, yet you will not allow your own vessels to carry your quantities of coal, amounting to such enormous figures as they do—last year 1,594,135 tons, and this year 1,000,000 tons. No Canadian National Railway boats can carry that coal. The management says so, and "let the public be damned." That is the attitude taken.

Speaking for myself, I want to see this matter exposed in all its entirety, and if its officials are wrong then let them be attended to. Yet we are told that we are assaulting the Management of the Canadian National Railways when we go into matters of this kind. Nobody is assaulting the Canadian National Railways at all; it is the Management in certain directions and in certain quarters, when they are buying Scribe Hotels, when they are coming to handle boats like this; and if the time has not arrived to interfere with the Management in that regard, then I much mistake the temper of this House. I am not going to be frightened out by the statements that President Thornton makes. He goes out of his way to insult the people who think, as representatives of the people, they have a right to discuss these matters.

Speaking the other day at the city of Toronto, he made the following statement, which was broadcasted so that the people of Canada could hear his opinion of any person who dared to open his mouth and say one word about the outrageous transactions—and that is a mild term for the exposure that I make. Sir Henry Thornton made the following statement:

Do not take seriously the campaign of vilification with respect to certain of our officers and employes which is being industriously promoted in certain quarters. You may rest assured that, although no improper acts will be tolerated on the part of anyone in the service, the administration will be equally zealous in protecting the good name of its officers and employes whose only fault may have been that they have faithfully fulfilled their duties, irrespective of attempted pressure.

Certain interests are determined to prevent the ultimate success of the people's railway. By constantly stirring up turmoil and bringing malicious charges, they

hope to discourage the administration, the officers and the employes, but we are not built that way. We are not hunting trouble but, on the other hand, we do not intend to run from it.

Now, where is the vilification of any officials? When I have explained—

Hon. Mr. DANDURAND: I do not know whether my honourable friend follows his phrases as he delivers them to us, but some of the high officials he has practically treated as pickpockets this evening.

Hon. Mr. BENNETT: I have said that the management of this fleet shows that the people in charge are either knaves or fools, and I do not intend to take back one word of it.

Hon. Mr. DANDURAND: My honourable friend has repeated more than once that the Merchant Marine administrators were either fools or knaves.

Hon. Mr. BENNETT: I have no hesitation in saying that it was a foolish policy or else it was knavishness.

Hon. Mr. DANDURAND: And my honourable friend adds that perhaps some people have been greased, either in Montreal or elsewhere.

Hon. Mr. BENNETT: Yes.

Hon. Mr. DANDURAND: That will be very interesting reading to some of these people who are giving their time to this work.

Hon. Mr. BENNETT: I said my honourable friend from Westminster had showed such facts and circumstances as would imply that there had been what is commonly known as greasing going on out there, and I said it would be common knowledge in Montreal and elsewhere—

Hon. Mr. CASGRAIN: Where is the grease put?

Hon. Mr. BENNETT: It is not put on the machinery of these vessels; they are tied up at the docks.

Hon. W. B. ROSS: It is put where it will do the most good.

Hon. Mr. BENNETT: If honourable gentlemen think there should not be some inquiry into these matters, well and good; but in all fairness, Matthews Brothers, who built a boat at Collingwood last year, should be given a chance to tender for the carriage of coal.

What is this Government doing? It is advertising mail contracts at $40 a year, and spending probably $125 in doing so; but when it comes to the carrying of freight, no tenders will be received. That is the ground that has been taken by the management, and if I have said anything to-night that will provoke those gentlemen or any of the employees to come to the rescue of their reputations, they will beg the Government to grant an inquiry so that they may explain their position. It would be well to do that, and the Government will not be the friend of those employees unless it gives them an opportunity of being heard before a special Committee of this House. I know the Minister of Railways and Canals sounded the keynote when he gave that carefully and studiously prepared statement to the Montreal Gazette. I fancy that when the statement is read in the Globe office, in the face of what that newspaper said the other day, that these matters must be investigated thoroughly under oath, it will be said: "Isn't it wonderful that Graham should issue such a statement as this?" Let the House listen to the closing intimation given to Government supporters as to what the Government wishes them to do:

> It would only be fair that the Committee appointed to investigate in the Senate should have this report before it before starting further investigation. However, the easiest and most direct and satisfactory manner of procedure would be for those who made these charges of conspiracy, etc., if they believe in them, to lay informations either in the criminal or civil courts of British Columbia. This would give men who declare their innocence, full opportunity to defend their characters before a totally independent tribunal.

Hon. Mr. CASGRAIN: That is not a bad idea.

Hon. Mr. BENNETT: My honourable friend agrees with the Honourable George E. Graham.

Hon. Mr. CASGRAIN: What are the courts for?

Hon. Mr. BENNETT: Both of them are rather well known in their own localities as practical politicians, and when they find that something black is looming up on the horizon, they think the best thing to do is to put a good face on it anyway. Charges are made including almost every crime in the calendar except murder.

Hon. Mr. CASGRAIN: What about rape?

Hon. Mr. BENNETT: Almost every crime except murder—defrauding, conspiring, and swindling the people of Canada out of their money; then the Minister of Railways coolly tells the member who has made the statements, and who I do not think will go behind them, to go down in his pocket and prosecute these people. That is the intima-

tion that is handed out to the honourable gentleman to the right of the Speaker. I can tell Mr. Graham that I think he misjudges the intelligence and honesty of honourable gentlemen who sit on the other side of this House, as well as on this side, if he thinks they are going to take the tip of a practical politician, and say: "Peace; be still; smother it."

Who ever heard of such a thing? Has not my honourable friend the leader of the House read in the press only recently that a high official of the Agricultural Department was decapitated because he was seen going on some official business accompanied by a golf stick? But when crimes most black and foul are alleged here by a member, who, as a member of the House, is responsible, the Minister of Railways and Canals says: "Go to British Columbia at your own expense and prosecute them." I do not think the leader of the Government saw that statement before it was put in black and white.

In the last matter referred to, I concede at once that President Thornton does not figure at all; I do not allege that he does, except inasmuch as he has not got competent men under him. But now I come to another matter connected with the National railways —the Home Bank affair. The Home Bank affair, and the Scribe Hotel affair, are like the play of Hamlet—if you took out Hamlet it would not be much of a play; and if you take out the President in the Scribe Hotel affair and the Home Bank affair, there would not be much of a play. What is this Home Bank affair? I want to be fair to President Thornton, so I will read you a statement showing how it struck him. Under date of October 1st, 1923, there appeared in the Montreal Gazette a conversation between the President of the road and the Gazette reporter. We are all old enough to know that every person except the reporter is present when these interviews are given out. This has all the earmarks of having been prepared in the Grand Trunk offices, and in proof of that I would point to the fact that it went out by the Canadian Press, so that all the papers had it in the same way. Why, honourable gentlemen, in the province of Ontario, when the Home Bank closed its doors, there was a cry of dismay from thousands and thousands of people who had lost their money. This cry went up all over the country. True, there were some clever people who took thir money out at the last moment, and who, since repentant, are returning it. I have heard intimations of that as late as to-day.

So, Sir Henry Thornton, knowing the state of public feeling, at once rushed into an interview which was published in the newspapers. We will see what it says:

Toronto, September 30.—"No political influence or influence of any sort instigated the deposit," declares Sir Henry Thornton, president of the Canadian National Railways, in a statement relative to the million dollar deposit of the C.N.R. in the Home Bank last May 28, and which was withdrawn June 2.

"The board of directors of the C.N.R. meets on the fourth Monday of each month," he proceeded. "At the time of the meeting prior to the making of the deposit it was suggested by Mr. Gough that the Home Bank be given a share of our banking business. Accordingly, a deposit of $1,000,000 was made, but it remained in the Home Bank for a few days only, as shortly after the deposit was made it was brought to my attention that Mr. Gough was an active official of the bank.

"There is nothing more natural than the fact that we should give a portion of our banking business to Toronto, where we derive such a large portion of our revenue, and which is the very home of support for public ownership.

"I can say with complete assurance that, with the exception of Mr. Gough, not one official of the National Railways is in any way connected with the Home Bank. What is more, no one suspected that the affairs of the bank were in any way involved. For myself, the first intimation I received of the bank's difficulties was the news in my morning paper."

Asked as to the attitude of the National Railways toward the banking connections of Mr. Stewart, director of the Bank of Montreal, and Mr. Decary, director of La Banque Nationale, who are also directors of the C.N.R., Sir Henry said: "We consider that the connection of these gentlemen is entirely different from that of Mr. Gough. They act in a more or less advisory or honorary capacity, while Mr. Gough was an active official, concerned with the policy and management of the bank.

"The keynote of the whole situation is this: 'The transaction could only be termed questionable if it had been made knowing of the condition of the Home Bank. When I say that we had no inkling whatever of the state of affairs, I believe that it should completely clear up all comment.' "

Now, let us take this statement of Sir Henry Thornton seriatum. He says:

Accordingly, a deposit of $1,000,000 was made, but it remained in the Home Bank for a few days only, as shortly after the deposit was made it was brought to my attention that Mr. Gough was an active official of the Bank.

Now, mark you, it was not until after the deposit was made that the President of the road became aware of the fact that Mr. Gough was an active official of the bank. Well, all I can say to that is that if we have this investigation, I think President Thornton will want to brush up his recollection as to that statement. Surely he was interested enough when appointments were made to the Board to ask who Mr. Gough and the other gentlemen were. The first thing that went into the newspapers when Mr. Gough was appointed was the statement that he was a director of the Home Bank and other companies. The man on the street will laugh when he reads that

story of President Thornton's, that he did not know that.

Let me picture a scene to the leader of the Government. Does he remember the wonderful trip that was taken through the West on what was termed the "Train de Luxe"? The first time Sir Henry Thornton went to the West, headlines appeared in the press all over the country telling about that train—of the sleepers, dining cars and so on—and I am pretty sure that my recollection is good, and that Mr. Gough was in the party. Fancy the President and the directors sitting there in the car on this trip, which took probably a couple of weeks, and never once, during the course of their conversation, mentioning that Mr. Gough was connected with the Home Bank. I know a few directors of banks, and I have not seen many of them hiding their lights under a bushel. I will warrant that if that statement is placed before Sir Henry Thornton, and he is asked if he did not know that Mr. Gough was a director of the Home Bank, he will not deny it.

Hon. Mr. DANDURAND: I will put my honourable friend to the test here and now. There is his leader, and here is my humble self. I defy my honourable friend to say offhand to what boards the leader of the Conservative party or I belong.

Hon. Sir JAMES LOUGHEED: Well, not to the Home Bank, I might say.

Hon. Mr. BENNETT: My leader is such a modest man that I would not mention it; but the leader of the Government cannot keep his light under a bushel, because the newspapers placard the fact that he is connected with a cotton mill that was very tenderly treated by the Government.

Hon. Mr. DANDURAND: The honourable gentleman in his remarks attributes that to the leader of the Opposition, not to myself. As a matter of fact, the mill of which my honourable friend speaks has been very tenderly attended to by the Government by a double decrease in the tariff in the last two years.

Hon. Sir JAMES LOUGHEED: The honourable gentleman from Mille Iles (Hon. Mr. David) is going to wipe that out.

Hon. Mr. BENNETT: Another statement is this:

> There is nothing more natural than the fact that we should give a portion of our banking business to Toronto, where we derive such a large portion of our revenue, and which is the very home of support for public ownership.

Then we go on to the opinion of the whole transaction. Of course, the answer of my honourable friend will be that the Government has conducted an investigation into the Home Bank. There has been an investigation with expensive lawyers, who, according to the returns in the other House, were paid the trifling sum of $250 and $200 a day. "They have exhausted everything. What is the good of having an inquiry into this matter?" I will tell you why, in my humble judgment, it is necessary—because the public want every light thrown on this question they can possibly get.

I looked up the official Gazette of last year, and what did I find in the returns made by banks? On March, 1923, there was deposited with the Home Bank $6,658,842 on demand, and $12,071,041 on notice. On April 30th, the deposits were as follows: on demand, $5,893,393, and on notice $12,104,004. The notice deposits were practically the same on both those dates, but there was a decrease in the demand deposits of very nearly $1,000,000. Here was an institution the stock of which was not selling very high on the stock market, and which for that reason was more or less discussed. And here his own published statement showing the position in which it stood, with the decreasing deposits. I allude now to the demand deposits. Here was the fatal day, May 31, 1923, approaching, when another return showing the deposits would have to be made. The return was made, and I would call the attention of the House to what it was on that date. There were deposits payable on demand of $6,565,100, and deposits by the public on notice, $13,310,000. So there was a betterment of those payable on demand of $1,000,000. Had it not been for the $1,000,000 that was deposited by the Canadian National Railways, the deposits of that month would have been lower than those of April or March.

Something had to be done, and that something was done. I have in my hand a copy of the evidence of May 7th; it is No. 10 of the published evidence. I am not going to say that this inquiry as conducted by the lawyers was unfair, so far as the public is concerned. Mr. Symington, of Winnipeg, conducted the examination on behalf of the Government, and I am free to say that on its face it appears to be a fair examination. All lawyers present their cases on the evidence that has been adduced. Now let us look at this evidence, bearing in mind the statement of Sir Henry Thornton on the 30th of September, just after the event, that at a meeting of the Board of Directors of the C.N.R. on the fourth Monday "it was suggested by Mr. Gough that the Home Bank be given a share of our banking business." Here we have the evidence of Mr. Graham Bell, who says, point

blank, that nothing at all occurred like what Sir Henry Thornton said. There was nothing at all done at the Board meeting about that million-dollar loan. Here is the statement:

On the third Monday in May our regular meeting happened to fall on the 21st May; I attended a meeting of the Board of Directors on that day and tendered my resignation, which was accepted at the Board meeting. The meeting was held in Sir Henry Thornton's office. Mr. Gough, who was a Director of the railway, and also a Director of the Home Bank—I did not know at the time that he was Vice-President of the Bank, I knew he was a Director—approached me immediately after the meeting, and asked, as we were dividing up some of our accounts with different banks, we had taken a couple of new banks into our banking arrangements shortly before this, and on account of the business they were doing, the different members of the bank, Directors, were doing, which would be of interest to the railway, he urged that the Home Bank could use some money at that moment, before the end of the month and they would have funds coming in at the first of the next month, and asked if we would not build up a deposit.

I am not going to quibble on the question whether it was at the meeting of the Board or afterwards. The President was evidently mistaken about that, because it happened after the meeting was concluded.

I told him I had resigned and I refused to do it. I also told him he would have to see the President. He walked over to the President and the President called me over and said—he was talking to another Director—"I am busy, Bell, and you go into this and if you are satisfied go ahead with it and then you can confirm it at the next meeting, you act for me in this." So I had another conversation with Mr. Gough.

My purpose in reading that portion of the evidence, which is to be found at page 523, is to show that the President knew that application had been made for a temporary loan of $1,000,000, and, at least for the time being, divested himself of responsibility by handing it over to Mr. Bell. It is immaterial, in the eyes of the public, whether he handed it over to Mr. Bell or not, because the public hold the President of the Railways responsible for what did happen.

I will not weary the House with all of this, but I want to emphasize one or two of the points in the evidence. Mind you, it was on the 21st of May that this conversation or application regarding a loan took place, and it was not until the 28th of the month that the money was paid over. What happened in the interval?

The only witnesses that were called were Mr. Graham Bell and Mr. Yates, the Treasurer, but there was another gentleman who knew all about it. Let me read now from page 526:

Q. Now you have told us, Major Bell, everything you know about this, all the conversations you had?—A. No, pardon me. There was another conversation. Mr. Ruel was in the Board room at the time this took place, and about the first of the month I think, I cannot be sure Mr. Ruel will probably give you the exact date, he called me on the phone and he asked me if I had made this deposit; he said he had learned that Mr. Gough was a Vice-President. I said Yes, but I had given instructions to withdraw it. He said that was allright, and that ended the matter. He can give you that.

Why was Mr. Ruel not called? Why was he not handed over by the Government to Mr. Symington when Mr. Bell had stated, according to the evidence, that Ruel was conversant with the facts? And why this delay from the 21st to the 28th? The public would like to know what happened with all the officials connected with that.

Now turn to page 535. Here is a most remarkable letter. Before reading it let me state generally the purport of Mr. Graham Bell's testimony, and that of Mr. Yates. From the frank manner in which both gentlemen gave their evidence, and from my knowledge of them, I am confident that they told the truth in answer to every question they were asked. What was the situation? The President had been applied to by the co-director, Mr. Gough, for $1,000,000 as a temporary loan, and had told Mr. Graham Bell to act according to his own discretion. The matter was discussed with Mr. Ruel, another director, and Mr. Yates, the Treasurer, and it was agreed that that $1,000,000 should be handed over to the Home Bank on certain conditions. What were those conditions? On page 535 there appears a letter from Mr. Ross, who is connected with the Bank. The letter was dated May 25th and was addressed, as I understand to the Bank wherein the deposit was made:

Mr. Yates, General Treasurer, of the Canadian National Railways, advised the writer this morning that he is giving us not later than Tuesday a deposit of one million dollars which will be drawn out again on the 2nd of June, and we would ask you not to draw anything against same. Mr. Gough, our Vice-President, arranged with Mr. Yates for this deposit.

Mr. Ross does not give evidence. With whom did he make the arrangement that when the million dollars went into the Home Bank's coffers it was to be there intact? It might as well have been placed in a safety vault in the Home Bank, because it was there on the condition that it was not to be drawn upon.

Hon. Mr. CASGRAIN: That was protecting the Government's money.

Hon. Mr. BENNETT: Certainly, and deceiving the public. My honourable friend was not a depositor or he would not think it was such a merry matter.

Hon. Sir JAMES LOUGHEED: If it was Canadian Government money, the Government is a party to it.

Hon. Mr. DANDURAND: It was withdrawn in due time.

Hon. Mr. PARDEE: Nobody was hurt.

Hon. Sir JAMES LOUGHEED: A la Mr. Murdock.

Hon. Mr. BENNETT: I ask why, in the face of that evidence, was Mr. Ross, the writer of that letter, not called to explain with whom he made this contract that the money was to be earmarked and nothing was to be checked up against it. Is it surprising that the following letter also appears in the evidence?

Montreal, Que., May 28, 1923.

Confidential.
James A. Yates, Esq.,
General Treasurer,
Canadian National Railways,
Montreal.

Dear Sir,—Will you kindly accept our best thanks for the deposit of one million dollars. This amount has been placed to a Special Account according to our arrangements and we note same will be withdrawn between the 2nd and 4th of June.

Why the necessity of marking that letter "confidential?" I notice a number of other letters passing between the Department and the Bank, and they are not marked "confidential."

There is the situation before the public. The Government employ counsel for the so-called inquiry, and hand over certain witnesses, and after counsel has examined them to the best of his ability and extracted from them all the information he could, it appears that there are two men, Mr. Ruel and Mr. Ross, who probably know more about the matter than anybody else, and they are not placed on the stand at all.

Hon. Mr. DANDURAND: The honourable gentleman knows that the depositors are represented by able counsel who are interested in establishing moral responsibility on the part of the Government, and who are acting as complainants.

Hon. Mr. BENNETT: I know that that is so, but it may not have occurred to these counsel that the two gentlemen I have mentioned should be called as witnesses. I know it would occur to an ordinary man reading the evidence, whether a lawyer or a layman, that he would like to hear Mr. Ruel's statement, and also the statement of Mr. Ross.

What was the situation as it presented itself? A bank on its last legs, as was shown when the final crash came; its deposits falling; a move made to increase its deposits to the tune of $1,000,000; and an arrangement made by the President of the road, or assented to by him—although he too was absent from the inquiry and not called as a witness. That million dollars was taken out of the funds of the Canadian National Railways, earmarked, placed practically in a vault where it would not be touched, and left in the Home Bank for three or four days after the 1st of June—for what purpose? As stated by one witness at page 525:

Q. It was not to be withdrawn then after the first of the month?—A. No, it was only when I learned that Mr. Gough was Vice-President that I decided to do this. I carried out my promise. I did not want to inconvenience him, taking it out at the end of the month, as I had given him this promise, and I had no doubt be had made his arrangements accordingly. After the first of the month, Mr. Gough knew that deposit might be $1 or $100,000 or might be a debit balance; but what he was anxious for— at least I drew that from his conversation—was that that million dollars should be there at the end of the month, and he gave me his reasons, that he had funds coming in, and it was a usual thing in banking to do that.

Hon. Mr. PARDEE: Did not the Ontario Government do that same thing through Mr. McGarry?

Hon. Mr. BENNETT: When the bank failed?

Hon. Mr. PARDEE: No, not when it failed.

Hon. Mr. MURPHY: Two years ago.

Hon. Mr. BENNETT: He was not the Treasurer, to do it.

Hon. Mr. PARDEE: Not when it failed, but before that.

Hon. Mr. BENNETT: I am bound to say that Mr. Gough and another director approached the Ontario Government and asked them to place on deposit $1,000,000 to tide them over the end of the month.

Hon. Mr. PARDEE: Apparently others did.

Hon. Mr. BENNETT: There are the facts of the case, and it has been only partially inquired into, three of the most prominent witnesses not having been called. Surely in the interest of the public this matter should be fully cleared up. It ought to be referred to a special committee of this House, in order that they may inquire into it and if necessary hear in addition to the other witnesses the President, Mr. Ruel and this Mr. Ross, of the Bank.

Honourable gentlemen, that is all I have to say on the question of the Home Bank. I have addressed myself to three matters—the Home Bank, the Hotel Scribe, and the handling of the Marine fleet. If this House considers that these questions, and the charges made by my honourable friend from New Westminster (Hon. Mr. Taylor) should be treated in the manner in which the Minister of Railways and Canals treats them, I shall regret it for the honour of the House. I

consider it my duty to urge the adoption of this resolution that I have proposed, that an inquiry be made by a Committee of the Senate who will examine witnesses under oath. I would ask honourable gentlemen on the opposite side of the House, and particularly the honourable leader, to remember that there stands on record the motion of the leader of his party, the present Prime Minister of Canada, moved in 1921, for an inquiry into the Canadian National Railway Company's affairs—an inquiry much more searching, and more thorough than that which I propose. In the face of that former resolution, how can the honourable leader of this House suggest that an inquiry into this matter should be refused? I trust that an inquiry will be granted and that the matter will be probed to the very bottom.

Hon. Mr. McHUGH: Did I understand the honourable gentleman to say that the tracks and the wheels of the cars were rusting for want of freight traffic from the Georgian Bay ports, and that only passengers were being carried? Did he not state that no grain was coming down on the Midland division of the Canadian National road during the summer? Can the honourable gentleman give us an estimate of the amount of grain that was carried from the Georgian Bay ports down the Midland division of the Canadian National road during the year 1923, or from April, 1923, to the present time?

Hon. Mr. BENNETT: I think that last year the quantity carried through Midland was about 40,000,000 bushels; but if the rate at which they are going this year is kept up, the quantity will be far away from 40,000,000.

Hon. Mr. McHUGH: That is considerable for the railway to carry. I understood the honourable gentleman to say there was none carried—nothing but passenger traffic.

Hon. Mr. BENNETT: I did not say that there was nothing but passenger traffic. I said that the lines up there were in such a way that there was practically little or no lumber carried and that the grain trade was a nonentity at present; and so it is.

Hon. Mr. McHUGH: The grain trade is not a nonentity when 40,000,000 bushels are carried from the Midland division down to Montreal.

Hon. Mr. BENNETT: If the honourable gentleman knew the situation better he would not speak of it in that way. Let me tell him this, that formerly only the grain that went from Midland passed through Lindsay, but owing to a change in the arrangements they are now sending also any grain that comes from Parry Harbour. Consequently there should be a double quantity of grain passing through Lindsay.

Hon. Mr. McHUGH: I know that the trains went through there loaded with grain during the grain-carrying season. One was scarcely out of sight of the other. They went through during the summer as fast as they could go, with locomotives carrying fifty or sixty cars, down to Belleville.

Hon. Mr. GORDON: Does the honourable gentleman (Hon. Mr. Bennett) contend that at the time of that advance of $1,000,000 an arrangement was made as to how long it should be in the Bank? That is, as I understand, the evidence that was given before the Home Bank Commission. On the other hand, Sir Henry Thornton states in the letter which the honourable gentleman has read, I think, that it was an after-thought of his when he found that Mr. Gough was Vice-President of the Bank.

Hon. Mr. BENNETT: Yes, there is a direct conflict between the statement made by Sir Henry Thornton and the sworn evidence, because Sir Henry Thornton says it was only after he learned that Mr. Gough was Vice-President of the Bank that the money was withdrawn.

Hon. Mr. DANDURAND: Does the honourable gentleman move his motion?

Hon Mr. BENNETT: I moved it when I rose.

Hon. Mr. DANDURAND: But it was not put from the Chair.

Hon. Mr. BENNETT: I now move the motion I read when I opened my remarks.

Hon. Mr. DANDURAND: Honourable gentlemen, I was ready to follow my honourable friend and discuss the merits of his proposition as I found it on the Order Paper. I had no hesitation as to what stand I would take on the demand for an inquiry into matters which are at present under investigation in Vancouver; nor had I any hesitation as to the stand I would take on the other itemized charges or matters of investigation.

But my honourable friend has given us an hour's disquisition on the management of the Merchant Marine, and I confess I am not at all in a position to answer him. As he has made very serious charges against the managers of that branch of the service, I think I owe it to the Senate and to myself to inform myself. I would therefore move the adjournment of the debate, to be taken up next week.

Hon Sir JAMES LOUGHEED: Better fix a day.

Hon. Mr. DANDURAND: No, I may not have the information on all those matters.

Hon. Sir JAMES LOUGHEED: But fix a day: you cannot adjourn it till next week.

Hon. Mr. DANDURAND: I moved to adjourn the debate, and when that is decided we can fix the date.

Hon. Sir JAMES LOUGHEED: But you cannot adjourn it sine die; it would fall to the ground, so you must mention a day.

Hon. Mr. DANDURAND: I have no objection to doing so. My idea would be to say Wednesday next, but we had better move the adjournment of the debate, and after that is carried, the question would be put from the Chair as to what date.

Hon. Mr. DANDURAND: I would have it put down for Wednesday, the first Order after third readings.

The motion to adjourn the debate was agreed to.

Hon. Mr. DANDURAND: I may not have opportunity, before the day when we take this matter up again, to draw the attention of the Senate to a very important discussion that took place in the House of Commons in the Session of 1921 on the management of the Canadian Railways by the Government, and the right of investigation or supervision by Parliament. I would therefore urge the members of the Senate to read that debate in the other House, because it indicates the very great difficulty of the problem which will confront us, and which I will discuss quite fully when the matter comes up.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say that there were specific charges alleged in the resolution that was debated?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: That is the distinction.

Hon. Mr. DANDURAND: I know, but the whole question of the administration and control of state-owned railways by the Parliament of Canada was covered by the discussion in the Session of 1921. I mention it because I think it will interest the members of the Senate.

DIVORCE BILLS

THIRD READINGS

Bill K3, an Act for the relief of Ruth Ethelind Jackes.—Hon. Mr. White.

Bill L3, an Act for the relief of Wilfrid John Mitchell.—Hon. Mr. Haydon.

Bill M3, an Act for the relief of Edward James Bentley.—Hon. Mr. Ross.

Bill N3, an Act for the relief of Elizabeth Sylvia Cameron.—Hon. Mr. Ross.

Bill O3, an Act for the relief of Wilhelmina Aird McKay.—Hon. Mr. Blain.

PRIVATE BILLS

THIRD READINGS

Bill S2, an Act to incorporate Dominion Electric Protection Co.—Hon. Mr. Foster.

Bill 8, an Act to change the name of "The Travellers Assurance Company of Canada" to "Montreal Life Insurance Co."—Hon. Mr. L'Esperance.

SECOND READINGS

Bill P3, an Act to incorporate Merchants Casualty Insurance Co.—Hon. Mr. Laird.

Bill Q3, an Act to incorporate The Laurentian Insurance Co.—Hon. Mr. Haydon.

Bill 9, an Act respecting The T. Eaton General Insurance Co.—Hon. Mr. Lynch-Staunton.

Bill 17, an Act respecting The Montreal, Ottawa and Georgian Bay Canal Co.—Hon. G. V. White.

Bill 19, an Act respecting the Canadian Pacific Ry. Co.—Hon. Mr. Willoughby.

Bill 22, an Act to amend An Act to incorporate the Burrard Inlet Tunnel and Bridge Co.—Hon. Mr. Crowe.

Bill 23, an Act respecting the Commercial Travellers Mutual Insurance Society.—Hon. J. H. Ross.

Bill 36, an Act respecting The Northern Life Assurance Co. of Canada.—Hon. Mr. Lynch-Staunton.

Bill 37, an Act to change the name of Imperial Underwriters Corporation of Canada to "Imperial Insurance Office."—Hon. Mr. Pardee.

Bill 38, an Act respecting The Esquimalt and Nanaimo Ry. Co.—Hon. Mr. Green.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill S3, an Act for the relief of Mary Ellen McClelland.—Hon. Mr. Pope.

Bill T3, an Act for the relief of Annie Jane Bridges.—Hon. Mr. Pope.

Bill U3, an Act for the relief of Florence Rathbun.—Hon. Mr. Pope.

Bill V3, an Act for the relief of William Samuel Morrow.—Hon. J. Webster.

Bill W3, an Act for the relief of Ethel May Macdonald.—Hon. Mr. Blain.

Bill X3, an Act for the relief of Stanley George Harris.—Hon. Mr. Blain.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

CONSIDERATION DEFERRED

On the Order:

Second reading Bill 31, an Act respecting the construction of a Canadian National railway line between Grande Fresnière and Rinfret Junction, in the province of Quebec.—Hon. Mr. Dandurand.

Hon. Sir JAMES LOUGHEED: May I suggest to my honourable friend that it is probably too late for him to go into a lengthy explanation of the principles involved in connection with all these branch line Bills. I presume it is only necessary to make a statement of policy in reference to one; yet, I think it should be made. The subject is of sufficient importance to command the attention not only of this House, but of the country, because more than ordinary attention is directed to the action of the Senate in regard to these particular Bills. I think this is an occasion upon which we should have an exposition of the policy of the Government in reference to all of these Railway Bills. I do not ask for an explanation of details at all, but only of the broad and general principles upon which the Government feels justified in entering upon such a large expenditure as will be involved in the carrying out of the construction of the different branches covered by the twenty-six Bills which I understand are to come before us. If my honourable friend would make that explanation to-morrow, no time would be lost. I would not for a moment stand in the way of accelerating the consideration of this question, but I apprehend that my honourable friend has in view the submission of these Bills to the Standing Committee on Railways, Telegraphs, and Harbours, so as to permit of an inquiry into the merits of each Bill. Inasmuch as that Committee will not be able to meet until Wednesday or Thursday next, no time will be lost by allowing the Bills to stand until to-morrow, when we can have a proper discussion of the principle or policy involved.

Hon. Mr. DANDURAND: I do not know whether my honourable friend desires me to go further than to say that the Canadian National Railways were reconciled to the idea expressed by the Senate last year that separate Bills should be brought down, rather than one Bill with a schedule indicating the number of lines to be constructed. Last year I expressed the opinion that the different branches could be treated as separate units under the one Bill; yet the Bills are now before us covering certain branch lines.

Hon. Sir JAMES LOUGHEED: That is not what I refer to.

Hon. Mr. DANDURAND: My honourable friend, I suppose, refers to the method of construction.

Hon. Sir JAMES LOUGHEED: Yes. May I further elaborate upon what I have already observed? What I am anxious to hear from the Government is a statement as to the fundamental principles applicable to the building of these twenty-six branches, involving, as it does, the construction of about 1,100 miles of railway. Is the principle one of prospective earning power, by which, or under which, a branch will be able to fairly maintain itself at an early day, or does it involve a policy of simply saying to the country at large: "We are prepared, entirely irrespective of the question of earning power, to build branches here, there and everywhere, in a promiscuous way?"

I am most anxious to know if the National Railways Management has given consideration to the all-important question of the financial result? It is unnecessary for me to point out that no other policy that can be entered upon will be so disastrous to public ownership as the policy of indiscriminate expenditure on building branches, irrespective of the all-important question of the earning power of those branches. I would suggest that my honourable friend take a little time to-morrow to explain to the House the principles upon which the Government has committed itself to this very important undertaking—probably the most important undertaking that we have entered upon by way of a public work for many years—because the estimated cost is only a small proportion of what it will ultimately involve. If I remember, the estimate in last year's Branch Lines Bill was $28,000,000. That made no provision for equipment nor for the initial operation of the road over a particular period. To anyone familiar with the construction of railways, it is well known that these roads cannot be constructed for $28,000,000. In my judgment, they would cost three times $28,000,000. However, I am not advancing that as an insurmountable obstacle to the building of these roads; but my own view is that the Senate should give every consideration to each Bill, and that each Bill should be considered upon its merits before it is adopted by this House.

I again appeal to my honourable friend, and say that if the great and important policy of public ownership is to be maintained by the Government of Canada, it can only be maintained and carried on by the adoption of the most economical policy possible; and this is particularly true of this system, because of the financial burden attached to it. I think, therefore, that this is a very oppor-

tune occasion to lay before this House and before this country the principles moving the Government in asking the country to assume the responsibility of entering upon this undertaking.

Hon. Mr. DANDURAND: Then I will move that all the Orders relating to Branch Line Bills be discharged and be placed on the Order Paper for to-morrow. I may say that I am fully in accord with the point of view from which my honourable friend sees the building of these branches; and I think I will be in a position to reassure him as to the policy of the Government being strictly within the lines which he has indicated this evening.

The said Orders were discharged and placed on the Order Paper for to-morrow.

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

THE SENATE

Friday, May 23, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill B4, an Act for the relief of Angus Martin.—Hon. Mr. Blain.

Bill C4, an Act for the relief of Lester Ernest Greenwood.—Hon. G. V. White.

Bill D4, an Act for the relief of Charles Lawson.—Hon. Mr. Bennett.

SECOND READINGS

Bill Y3, an Act for the relief of Evelyn Eira Awrey.—Hon. Mr. Smith.

PRIVATE BILLS

THIRD READINGS

Bill 15, an Act respecting The Canada Southern Ry. Co.—Hon. Mr. Robertson.

Bill 10, an Act to confirm an agreement between The Ottawa Electric Ry. Co. and the City of Ottawa.—Hon. Mr. Belcourt.

Bill 16, an Act respecting the Detroit River Tunnel Co.—Hon. Mr. Robertson.

Bill 14, an Act to incorporate The Roman Catholic Episcopal Corporation of Prince Rupert.—Hon. Mr. Coté.

Bill Y2, an Act respecting Alliance Nationale. —Hon. Mr. Beaubien.

CANADIAN NATIONAL RAILWAYS BRANCH LINES

STATEMENT OF POLICY

On the Orders of the Day respecting certain Canadian National Railways Branch Line Bills:

Hon. Mr. DANDURAND: Honourable gentlemen, before we separated last night I was requested to make a general statement of policy covering all these railway branches in order that the House might know what are the principles governing the present demands. I have thought that I could not state more concisely the policy of the Canadian National Railways than by reading the statement tabled in the other House, from the President of the Railways. It will illuminate all the projects in a general way. It will then be for the Committee, having in view the expectations expressed in this letter from the President, to judge of the value of each proposition.

I have already declared, and I repeat, that the passing of the second readings of these Bills does not bind this Chamber. We shall decide upon their merits when they are reported by the Committee.

This is a letter dated April 2nd, addressed to the Minister of Railways:

With respect to the branch line programme of the Canadian National Railways, I desire to place before you the policy which governed the company in its recommendation, and the specific reasons and other data for the construction of each line.

In the preparation of the branch line programme, the following factors were given due weight:

(1) The money already spent and the work already done on each line, where such conditions existed;

(2) The strategic, economic and traffic value of each branch;

(3) The measure of relief afforded to farmers through shortening the road haul on grain and other products;

(4) A regard for the presumable aggregate sum which the finances of the Dominion would permit to be devoted to such a purpose.

After having given proper weight to the factors above mentioned, the programme which has already been submitted to you was prepared and, in addition, it was suggested that the programme, should, if adopted, be spread over a period of three years, the authority remaining alive until August 31, 1927. The objective sought in extending the life of the vote for three years was to provide that continuity of construction which is essential for economy and to

enable the engineering and construction department of the railway, as well as contractors, to lay out their work in the most effective fashion. The practice is well recognized by private railways under whose administration sums, when voted by the shareholders, remain in the hands of the executive until the work is completed or authority rescinded. There would seem to exist an analogy between the shareholders of a private company in their relation to the executive, and the parliament of the Dominion of Canada in its relation to the Canadian National Railway system, which would justify such a policy if the experiences of private undertakings are of value.

Varying prices of labour and material, adverse climatic conditions and the difficulty of securing labour during the period of harvest render it imperative that an early start should be made each year if construction work is to be prosecuted with speed and economy and this, it is submitted, will not result if each branch line is to be subjected to an annual vote.

Appertaining to the Canadian National's branch line programme, for which you are submitting enabling bills to parliament, appended hereto are statements with reference to each line which set out the purpose and justification for each. While it is true that all of these lines may not be entirely justified from the present railway economic standpoint, particularly if viewed from their first few years' operations, broader grounds must be considered when preparing a system of feeders for a railway of the magnitude of that which has been entrusted to the present administration of the National Railways.

The first problem that arises from examination of the Canadian National Railways system is to ascertain the main and underlying cause of the deficits, and it is at once apparent that, although certain economies of operation and co-ordination of the various units comprising the system may materially improve the "net" position, the basic cause is found in the fact that the mileage is much too great for the traffic. The apparent answer to the necessity for more business is more people and a further development of those resources which nature has provided with a generous hand. This end can only be speedily attained by the immigration of both settlers and capital and my various officers and myself, realizing this need, have consistently endeavoured to promote both. No confidence can exist in those who lack faith in themselves. My survey of this Dominion gives me unlimited confidence in its ultimate destiny without which there could be no faith in the final success of the national lines.

Therefore we are looking to develop this vast country, at present but too sparsely settled, and asking people to emigrate and join us in this development. But what do we find? Certain sections of the country are losing the very population we are so anxious to augment. Why are these sections being depopulated? Chiefly through a lack of railway facilities, particularly on the prairies, and the question naturally arises, "Is not the settler, who has manfully demonstrated his ability to bring products from the soil, worth many times the untried immigrant? If we are to bring people into the country we should certainly not allow them to meet others who are departing in a discouraged frame of mind. Therefore, not only are branch lines necessary to develop the country and provide reasonable facilities for the immigrant, but also to retain that part of our population which has so courageously planted itself on the land.

It is not likely that the Canadian National Railways will suffer materially from a financial view, for three or four or perhaps five years if the branch line programme herein contemplated is abandoned, but it is inevitable, that should such a thing come about, at the expiration of a period of years the system will find itself robbed of all further opportunity for reasonable development. Strategic territories will have been seized by other transportation interests, and the railway will dry up at its roots. I can think of no more effective way to eventually bring about the ruin of the Canadian National Railway system than a refusal to embark upon and consistently maintain a branch line programme. No railway can stand still, and success can only be achieved by keeping abreast of the times in the fulfilment of transportation responsibility. This is even more important in a growing and rapidly developing country.

I particularly desire to make it clear that the recommendations herein contained are based not only on present day conditions but also have regard for the probable volume of traffic which would result from the settlement of the country in years to come.

I therefore endorse the programme which has been submitted to you as representing, after full consideration of all facts and factors, that minimum which is essential to the needs of the communities served by the Canadian National Railways, and the system itself.

Yours faithfully,

H. W. Thornton,

President.

This is the basis or justification of the Canadian National Railways Executive in presenting this proposed development. It will be for the officials of that system, who have studied the whole situation and surveyed the ground, to give the Committee the faith that is in them, so that we shall have the advantage of having first-hand information from them. With this explanation I move the second reading of the first Bill.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I have to congratulate my honourable friend on the rather ingenious plan to which he has resorted in not committing himself to the principles of the twenty-six Bills which are to come before us.

Hon. Mr. DANDURAND: Twelve to-day.

Hon. Sir JAMES LOUGHEED: My honourable friend assumes no responsibility himself; but assumes to divest the Government of the entire responsibility of this important measure, and lays before the Senate a letter written by the President of the road of a very general character as to the policy involved, and states to this Chamber that this is the policy upon which the Government of Canada proposes to expend the enormous sum of money which must eventually be spent upon the building of these branches.

The Senate of Canada was most bitterly attacked in the public press, and otherwise, by a section of the public not at all familiar with the character of the legislation sought

last session; but I think I am justified in saying that the action of the Senate at that time has been fully vindicated by the course since pursued by the Government, of abandoning the general character of that legislation, and of bringing down during the present session the twenty-six Bills which we shall shortly have under our consideration.

The course pursued last Session was based entirely upon a lack of information, and the very inopportune time at which it was sought to pass so important a measure—namely in the dying hours of the session. But during the present Session we find a rather different condition of facts before us. The question arises, then, what is the duty of the Senate upon this same measure, because it is practically the same measure divided into twenty-six parts? The duty of the Senate, in my judgment, is to clearly consider every measure submitted to us, and, upon its merits, to decide whether we shall accept or reject the Bill. What should be the standard to be adopted for the passage of these measures? Is it to be one of a purely sentimental character, entirely divested of the financial considerations which invest such an important subject? Must it be that because certain sparsely settled districts in this Dominion have intimated to the Government of Canada that they desire branch lines, therefore we must build the branches, and spend public money, entirely regardless of what the consequence will be in the future as to the earning power or the incubus that will have to be carried by the National railways, and also the Government of Canada, touching those particular lines?

It goes without saying that the Government of Canada, in assuming the administration of the system of railways known as the National Railways of Canada, representing a mileage substantially in excess of 20,000 miles, must administer it upon a strictly business footing. It cannot be said for a moment that it is a patriotic enterprise—that patriotism, or the building up of the country, or the submitting the will of the Government to the will of the people, and thus carrying out upon local or patriotic considerations the extension of this enormous system, is to be considered. The people of Canada are vitally interested in making this system a success, and I know of no other public question before the people of Canada involving so much serious consideration. But I say, if it is to be made a success, the administration must be based entirely upon financial considerations—namely, the earning power of the road and the possibility of its making a sufficient revenue to carry the liabilities which we are at present carrying, and the reduction of those liabilities, so far as it is possible, to attain that end. Therefore, I lay it down as a principle, honourable gentlemen, so far as my own personal judgment is concerned, that the prospective earnings of each branch should be and must be seriously considered by the Committee. That must be paramount to every other consideration. If it is not paramount to every other consideration it simply means that we are building branches, that we are investing the public money, and that we are attaching a further incubus to the enormous liabilities we are already carrying, and which threaten our financial stability, and which, unless reduced by economic management, will eventually result in disaster to the entire system.

There is of course the further consideration of the public interest to be served; but the paramount consideration must be early prospective earnings. If we adopt the policy laid down by the President of the railways in his letter to the Government, it stands to reason that branch line building must be entered upon and carried out vigorously—and these Bills are only the beginning of a policy which in the future will be pursued as energetically as it is being pursued to-day, regardless, I say, of the financial considerations involved.

Two or three considerations are pointed out by the president of the road which, I think, should not be entertained by us. I think the first consideration pointed out is that certain schemes have already been entered upon by the promoters of systems which we have absorbed. The fact that a certain amount of land has been broken or a certain amount of grading done, or initial steps taken for the construction of a branch, is no reason whatever for our entering upon the construction of these particular branches. I need not point out to honourable gentlemen that railway construction in the past has been very largely abused by the companies that entered upon this form of public undertaking. Many of the branches which already have been started were started entirely regardless of the public interest, but for the purpose of financial flotation—to enable the promoters to extract financial benefits from the sale of bonds and stock and subsidies obtainable from the different Governments of Canada, regardless of future results. That is the reason we have on our hands to-day a practically bankrupt system of railways.

There are honourable gentlemen here who are just as familiar as I am with the fact that this has been the leading con-

sideration in the flotation of these branches, which have been built at the expense of the Government of Canada and of the provinces of Canada, and to-day this is being invoked as a reason why we should proceed to complete these lines.

Hon. Mr. DANDURAND: That is one of the factors only. We need not throw good money after bad.

Hon. Sir JAMES LOUGHEED: It has been urged by the President of the road, as a fundamental reason why we should enter upon the construction of these particular branches. Amongst these Bills are some making provision for the construction of an elaborate system, not of branches, but of railways which are entirely needless. Why, honourable gentlemen, a gasp went up, almost from the Atlantic to the Pacific, at the reckless expenditure proposed upon the building of certain eastern lines involving millions of money, entirely regardless of the development of the country, or the requirements of any substantial settlement along the proposed lines. It seems to me that if we are to give weight to the recommendation of the President of the road, and we find a weakness in some of the fundamental reasons which he has laid down as to why these branches should be built, a doubt is cast upon the entire recommendation which he has made, and the duty of the Senate is the greater to thoroughly investigate as to why we should embark upon the twenty-six enterprises which will be submitted to us. There is undoubtedly reason, honourable gentlement, why some colonisation branches should be constructed in the West; although I do not at all agree with the reasons advanced by the President of the road as to the exodus which has taken place from Canada being due to the want of railway facilities.

Hon. Mr. DANDURAND: He does not say that.

Hon. Sir JAMES LOUGHEED: That is the implication to be drawn from the letter my honourable friend has read—that if this exodus is to be stopped, it will be by entering upon an even more elaborate system of branch line building.

I entirely dissent from the principle so strongly emphasized by the President as to the three years' appropriation, although, in my judgment, that need not be a reason for rejecting any of these Bills. It seems to me, however, that it is a violation of one of the best-established principles of parliamentary government. It is now proposed to take away entirely from Parliament—from the elective branch of Parliament—any voice as to the appropriation of public money, and to hand this public money over to a Board not directly responsibile to Parliament. You cannot draw any distinction, honourable gentlemen, between this money in the hands of the National railways and this money in the Exchequer of Canada It is all the money of the Government of Canada. It is idle to draw an analogy between this system of railways and a privately-owned system. This is simply another branch of the Public Service of the Government of Canada, no matter what reasoning we may apply to it, and the Government of Canada must necessarily furnish the funds for the building of these roads; it must necessarily assume all the financial responsibility attached to this undertaking; and to say that Parliament should divest itself of the rights which it has to-day to appropriate this money, to criticize its expenditure, to review such expenditure, and to inquire into the contracts which will be let and to pronounce upon whether wisely or unwisely or recklessly this money is being spent, would seem to me to do violence to one of the most salutary and wholesome parliamentary practices we have, namely, that Parliament shall pronounce annually upon the application of the expenditure of all public money.

Now, the President reasons the matter of three years' appropriation along this particular line, namely, that of possessing available cash; but who is so much interested in the matter of carrying out this railway system and making it a success as the people of Canada, as the Parliament of Canada? Is it the President or the directorate of this railway that is carrying the responsibility of the financial provisions of this enormous undertaking? No, it is the Parliament of Canada. The responsibility, initially and in every other way, lies with the Parliament of Canada; and to say that we should hand over for three years a lump sum of money to the Board, and divest ourselves of the right of inquiry as to its expenditure, would be a violation of our parliamentary system.

I do not desire to expend any more time upon this subject except to say that the people of the Dominion of Canada should be deeply interested in the success of the National System of Railways, and I believe that this is the case, and that Canada views with pride and with a proper sense of responsibility the ownership of this vast system of railways, the largest system on the continent. Therefore, we are as deeply interested as any of those who are directly associated with the administration of the road, and there is no reason why Parliament should not be free with its advice, its criticism, its censure

if necessary, or with its approval of the course pursued in the administration of the system.

But I say to my honourable friend, and I wish to emphasize it as far as possible, that if there is any way that can be adopted for the destruction of this magnificent system of National Railways it will and can be the reckless expenditure of money. If there is not the greatest economy and the greatest capacity shown in the administration of this National system, the time will come when the people of Canada will rise and divest themselves of the responsibility of operating a national system of railways. They will do this even at very great sacrifice and national humiliation except they see a desire on the part of those whose responsibility is to administer it to do so with the same good judgment that any private organization would demand. Another word, and I am done. It is this. We should adopt a standard, in considering these Bills, that would be adopted by any private railway system. Speaking in a general way, if the Canadian Pacific Railway would not enter upon the building of these railways should they be tributary to their own line, the Government of Canada should not enter upon the undertaking. When these Bills come before the Committee that is one of the standards that can be applied to every branch line submitted to us for our consideration.

Hon. Mr. DANDURAND: I do not intend to carry on a debate on these Bills, because I believe we shall all be in a far better position to discuss them after they have passed through Committee. I simply desire to draw the attention of my honourable friend to the fact that we shall have to face the problem of the three-year vote in connection with the present legislation, because, as each branch is approved by us, a contract will have to be made for its construction, and the contractor cannot be forced to wait until the period in each Session, very often in June, when we call in the Governor General to sanction the Bill. There is this difficulty, that some of the best months in the year for construction work may be lost, because as soon as we reach the middle of August there is a general disposition on the part of the employees to move towards the harvesting work.

Hon. Sir JAMES LOUGHEED: If I might interrupt my honourable friend, I would point out that the same remark would apply to every appropriation for the carrying out of public work. It would apply to canals and other work we are carrying forward in Canada.

Hon. Mr. DANDURAND: But I think it will be demonstrated to the Committee that considerable loss has occurred to the country as well as to the contractors on undertakings that have been decided upon, by all the machinery lying idle because the appropriation for the year has been exhausted. There are probably members of the Senate who have acted as Minister of Railways or Minister of Public Works, and I am sure that has been their experience. However, I do not want to enter into a debate on this point. It will be considered, and whatever the Committee in its wisdom decides will of course stand for revision by this Chamber. At all events, we shall be far better informed when that time comes. I have stated that I do not lay these propositions before the House with a view to binding the Senate to the principle of each Bill. It is understood that they will go to Committee, there to be weighed, and to be passed upon more seriously and definitely when they come back from Committee. I move the second reading.

Right Hon. Sir GEORGE E. FOSTER: I would like to ask my honourable friend a question. These Bills will be referred to the Railway Committee and taken up there, and can be intimately gone into by the members of that Committee with the officers, or whatever authorities are there for explanation. But a large number of members of the Senate are not members of that Committee, and this business is more than the business of a Committee or of a few men in either of the legislative bodies; it is a matter in which all Canadians take an interest. If we are going to have a system of National Railways, and that system is to be successfully carried on, we must have not only ability in its operation, but intelligent and active sympathy on the part of the people of Canada who own that system. Now, the question I want to ask is this: would it be a difficult matter to give a certain amount of fundamental information on each one of these lines? I do not know what has taken place in the Railway Committee of the other House, but where you have twenty-six roads, would it not be possible to have a memorandum with reference to each one of them, stating in brief the localities through which they go, and the sustaining production in those localities that now or may in future provide material for freight over those roads? That is the local side of it. Then, again, the roads link up with certain other points for traffic, and the memorandum should show what junctions are made, and what it is proposed to draw, on local hauls and wider

traffic, through those connections; in short, the possibilities for traffic from the locality and also through the roads' connections. Those things could be easily stated, and copies of that memorandum could be put in the hands of every member of the Senate. Though we cannot all be members of the Committee on Railways, or attend its sittings, we all have an interest in this business, and we are to discuss it when the report of the Committee comes down. If we could have this subsidiary and initiatory information it would stimulate our interest, answer our inquiries, and enable us the better to undertake the final decision.

Much has been said as to the stand the Senate took last year. It has been alluded to by the honourable gentleman who has just spoken. Probably the strongest criticisms were made by those who gave the least consideration to what are the salutary forms of practice in legislative bodies in order to fulfil the responsibilities and carry out the trusts of those legislatures. While we must have certain safeguards, the point raised by my honourable friend that we should not make a lump sum vote, and put it at the unrestricted use of the Management of the railway for three years, without the opportunity on the part of the legislature to review that expenditure does not present a difficulty which cannot be overcome. There are ways and customs by which the House may hold its hand strictly and continuously on those outlays, and there is business sense enough in the legislatures to do this in a way which will not cause greater expense, but rather tend to the lowest possible cost, in the way of continuity of the work. I cannot see any difficulty in overcoming that by sensible and not difficult methods.

With reference to some of these lines, my present presumption is that they are very questionable. Some of them are calculated, to my mind, to be a continuous drain upon the system itself. I want to see a very strict discrimination with regard to those different lines. Instead of all being put en bloc, as they were last year, the concession has been made by the Government that we have them separated, and take up each one by itself. Unless there is information coming of which I do not know now, there are some lines which I consider dangerous, unnecessary, and simply perpetuating an old system of political patronage which has been inherent in this country from the first, and which still persists, but which I should hope, as we gain in sense and intelligence, will be relegated to the discard in the general interest of a great national system.

Hon. Mr. MACDONALD: I should like to ask the honourable gentleman who would draw up this information in regard to the branch lines? Would it be the Railway Committee or the Management of the Canadian National railways?

Hon. Mr. DANDURAND: I would ask permission of the House, as each Bill is presented for second reading, to send to Hansard the memorandum which is attached to each Bill. Of course, I understand the Bills will pass and go to Committee, but if any of the members of this Chamber, having looked at the memorandum touching each Bill, feel that they need more information, they may express that desire on the Orders of the Day during the course of next week, and I will see to obtaining that further information.

Hon. Mr. LYNCH-STAUNTON: Might I ask the honourable gentleman if the embarrassment of which he speaks has been found in the construction of railroads on account of not getting a three-years' appropriation? We have had great experience in Canada in building railroads, and, if I understand correctly, we have never granted more than one year's appropriation, yet have found no embarrassment.

Hon. Mr. DANDURAND: I would rather wait until the Committee stage, when we may have present the Minister of Railways and the Ex-Minister of Railways, who will give us their views.

Hon. Sir JAMES LOUGHEED: In the meantime, might I suggest that the Governor in Council could come to the relief of the situation if they ran short of money? That has been done time and again. We are all familiar with what constitutes a Governor Generals warrant.

Hon. Mr. CASGRAIN: A letter of credit.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: We will discuss that when we go into Committee.

Hon. Mr. BLAIN: I understand that some of those railways commenced construction some years ago. Could my honourable friend furnish the Committee with a detailed statement of the cost of those roads to date, as the Bills are submitted to the House for second reading?

Hon. Mr. DANDURAND: I think that information is in the memorandum that will appear in Hansard in connection with each Bill.

Hon. Mr. BLAIN: And also state the date when they were commenced.

Hon. Mr. DANDURAND: I think it will all be there. At all events, if necessary I will not await the return of those Bills from Committee, but will furnish further information that may be asked for from time to time.

Hon. Mr. McMEANS: Provided the Bills are passed, will the construction of these roads proceed at once, and be continuously carried on?

Hon. Mr. CASGRAIN: Let us hope not.

Hon. Mr. McMEANS: I want the information if I can get it, because I know that railway people sometimes obtain charters and then postpone construction from year to year. The Canadian National Railways are not asking for a charter, but they are asking for money to build a branch line. What is wrong about that?

Hon. Mr. CASGRAIN: Does the honourable gentleman want them built right away?

Hon. Mr. McMEANS: I want to know whether, if the grant is made, the money will be spent all at once, and whether all those lines will be constructed?

Hon. Mr. DANDURAND: I surmise that when we come from Committee we shall know what lines are the most pressing. We may have our say on this matter, and the Committee may perhaps find that there are three categories of Bills—some that are very pressing, others that are pressing, but somewhat less so, and others that could wait.

Hon Sir JAMES LOUGHEED: Yes, wait for all time.

Hon. Mr DANDURAND: Therefore when we decide to pass these Bills because there is merit in them, we shall have from the Management, who will appear before the Committee, their statement as to the branches that will be first proceeded with. Of course, they have their own limitations. If we decide to adopt the principle of granting them a three-years' vote, they would be presumed to exhaust that vote during those three years. That presumption might satisfy my honourable friend.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say how the roads will be built—by contract, by tender, and, if so, to whom the tenders will be submitted?

Hon. Mr DANDURAND: I do not know. I think that all those questions were put in the other House and answered, but I do not know how they were answered. However, we will have an opportunity in Committee of examining into the building of those lines and discussing the question of contract or day labour.

Hon. Mr. CASGRAIN: I should like to ask the Government a very interesting question: will the construction of any of those branch lines be commenced before the completion of the Hudson Bay railway?

Hon. Sir JAMES LOUGHEED: They will go on contemporaneously.

Hon. Mr. BLAIN: May I ask the honourable Minister if, as the various Bills come up, he will state to the House, what lines the Government are in favour of?

Hon. Mr. BENNETT: All of them.

Hon. Mr. BLAIN: I understand that they are not in favour of all.

Hon. Mr. DANDURAND: All I can say is that they have been presented by the Minister of Railways, and if he did not consider that they ought to be supported he would not have presented them. We may have the Minister of Railways himself before us. At any rate. I take it for granted that the Government must assume the responsibility to Parliament.

GRANDE FRESNIERE-RINFRET JUNCTION BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 31, an Act respecting the construction of a Canadian National Railway Line between Grande Fresnière and Rinfret Junction, in the Province of Quebec.

Grande Fresnière, Mile 0-12

	Cost
Proposed in 1924—12 miles grade; 12 miles track..	$357,000

It is proposed in 1924 to grade 12 miles and lay track on it at a cost of $357,000, thus completing this line between Grande Fresnière and Rinfret Junction. The purpose of this line is to shorten the route from the Huberdeau Branch and St. Jerome into Montreal. The right of way for this line has already been secured, but no further work has been done on it.

The Huberdeau Branch runs into the Laurentian Mountains and gives communication to a district which has become one of the important summer tourist and cottage resorts out of Montreal. On account of our present routes via Readen Jct. or Joliette being so long, passengers all use the C.P.R. between Montreal and Montfort Jct., and undergo the inconvenience of a change of trains at this point, and the consequent delays this always involves. The result of this has been that despite the admitted advantages of the country on our Huberdeau Line for summer holidaying over the C.P.R. St. Agathe Branch into the Laurentians, we are unable to develop this business as we should and we lose a great deal of the haul on business we actually originate and we have to accept the onus of the incon-

venience and delays the present route to points on our line entails.

The justification for this line lies in the direct passenger connection it will give and also the shortening of the routes for freight over our existing routes via Joliette and Rawden, by 34 and 23 miles respectively, which will mean considerable economy in operation on present business, besides attracting further business by the better service it will give.

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

KAMLOOPS-KELOWNA BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 33, an Act respecting the construction of Canadian National Railway Line, Kamloops-Kelowna Division, Province of British Columbia.

Kelowna and Lumby Branches

	Cost
Grade now ahead of track—101 miles.	
Proposed in 1924—4 miles grade; 57 miles track and ballast..	$1,246,000
Proposed in 1925—48 miles track and ballast.	990,000
	$2,236,000

The Kelowna Branch constitutes a line from Kamloops Jct. passing through Kamloops and running through Armstrong and Vernon down to Kelowna, a distance of 117.5 miles, with another branch from Vernon through to Lumby, a distance of 15 miles. That part of the line from Kamloops Jct. to Kamloops, a distance of about 3 miles, is in operation and is used by the main transcontinental trains for connection to the town of Kamloops. Rather than duplicate the C.P.R. line it was contemplated to obtain running rights over the main line of the C.P.R. between Kamloops and Ducks, a distance of about 12.5 miles, and also running rights from them between Armstrong and Vernon over their Okanagan Branch, about the same distance, and this then left about 104.5 miles to construct.

In 1919 a contract was let for the grading of this line and grading was completed by the end of the season 1920, with the exception of a few small gaps amounting to about 4 miles. Practically all the ties required for the line have been produced locally and are now located at various points on the line.

It is proposed in 1924 to finish these gaps in the grade, lay the track and complete the line into Armstrong, and also to arrange for running rights referred to, with the C.P.R. In 1925, the line will be completed to Kelowna, and the branch to Lumby finished.

From Campbell Creek to the beginning of Grande Prairie, about Mile 35, the line runs through a broken hilly country with considerable scattered timber and grazing land, on which some cattle ranging is now done, and as this part of the line gets up to an elevation of 2,275 feet, it is not suitable for much actual farming, and will be confined to grazing and hay raising to feed stock.

The Grande Prairie Valley is a flat bottom about ½ mile wide and probably ten miles long, which is fairly well developed at the present time, but when further development should be capable of giving a fair amount of business resulting from mixed farming. At Falklands, near the foot of this valley there is a very large and good deposit of gypsum which, if a market could be found for it, should eventually give considerable traffic.

After the end of Grande Prairie, into Armstrong, the line goes through a broken hilly country, which is only suitable for ranching and has little development on it at present.

In the district of Armstrong, which produces largely hay, oats, celery and garden products, and fruit, considerable traffic would be expected.

Vernon is the centre of a considerable area of fruit growing land (mainly apples) and the valley of Long Lake, and the valley up towards Lumby are at present tributary to Vernon.

From Vernon to Kelowna the line follows a valley parallel to and about four miles distant from Okanagan Lake. From about 13 and 14 miles from Vernon, at the head of Long Lake, through to Kelowna, this valley is quite extensively developed in orchards, and is susceptible of considerable more development as further water for irrigation is procured and put on the land. Our line runs down the centre of this development and would shorten the wagon haul for the producer in this district.

The first eight miles of the Lumby Branch goes through a highly developed orchard district and at this point reaches the limit of fruit growing. From there on to Lumby there is considerable development by way of mixed farming and cattle ranging, besides some development further in from there.

The business from this line will be mostly to the Pacific Coast, or the Prairies, so will give the main line considerable traffic, mostly of a long haul character.

There has already been expended about $5,364,000 on these branches on the right of way, grading and fencing, which are mostly completed. It is estimated it will require $2,236,000 to complete them. It is computed that although the business from these lines will not clear sufficient to pay all the fixed charges when the amount now spent is included, it will nearly do so, which means it will give a very good return on the money now asked for to complete the line.

Note:—

Kelowna—Assumes that running rights over C.P.R. will be used between Kamloops and Campbell Creek, and also Armstrong to Vernon, total of 24 miles.

Lumby—Lumby must have track laid in order to reach ties for Kelowna piece.

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

PEEBLES BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 41, an Act respecting the construction of a Canadian National Railway Line from Peebles southerly in the Province of Saskatchewan.

Peebles South, Mile 0—22

	Cost
Grade now ahead of track—20 miles.	
Proposed in 1924—2 miles grade; 22 miles track..	$300,000

It is proposed during the year 1924 to add two miles to the existing 20 miles of grade and to lay the track on this 22 miles and ballast and otherwise complete the line, at an estimated cost of $300,000. When this is done, it would not be the intention to extend this line any further for at least some years.

The grade on this line started in 1919 and was completed by the end of the season of 1920, and during that year the greater portion of the track material

was delivered. Since 1920 no work has been done on this line.

This branch runs through a good agricultural area mostly grain growing, but at the south end has some mixed farming. This territory produces good crops when rainfall is sufficient, but is subject to dry seasons which make short crops. The land is practically all taken and mostly settled except south of Mile 20.0 where there is some unoccupied land. The crop in 1923 in this district was very good.

The justification for building this line is that approximately $216,000 has already been spent towards its completion, which is now earning nothing, and it is estimated that when the line is completed as far as proposed there will be an annual business of 660,000 bushels of grain furnished to it, a great deal of which now goes to our competitor, and in addition to the grain there would be about 150 cars of in and outbound freight, consisting of live stock, coal, lumber and merchandise. It is computed that the farmers would save an average of about 16 miles haul on the 660,000 bushels of grain referred to per year, and if this is taken as worth ¾ cent per bushel per mile hauled, it would mean an annual saving to them of $79,200. The freight from this line would be all of a long haul character, thus feeding other lines of the system.

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

GRAVELBOURG BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 42, an Act respecting the construction of a Canadian National Railway Line extending the Gravelbourg Branch to Neidpath, in the Province of Saskatchewan.

Gravelbourg Extension, Mile 109—120

	Cost
Grade now ahead of track—11 miles.	
Proposed in 1924—11 miles track..	$144,000

It is proposed in 1924 to lay the track on the 11 miles of grade now completed ahead of the end of steel, thus completing the line to the town of Neidpath, and there to leave it for the time being, at least.

In 1920, the grading was finished as far as Neidpath, (Mile 120.0), but the track was only laid as far as Mile 109.6. In 1922 the line was practically finished, including the buildings, fencing, etc., as far as Mile 109.0, with the exception of about 30,000 yards of ballasting, which remains to be done to this point.

This branch runs through an undulating country well suited for grain growing, and a large portion of the land is under cultivation, giving a good production of wheat and other grain.

The justification for building this line to Neidpath is that already one-third of the money necessary to complete it has been expended and is now earning nothing. Besides this it is estimated that when complete this line will ship 480,000 bushels of grain each year, in addition to about 70 cars of in and out-bound freight, composed of live stock, coal, lumber and merchandise. About 8 miles on the average will be saved in road haul to the farmers for this 480,000 bushels of grain, which if computed as worth ¾ cent per bushel per mile hauled would make an annual saving to the farmers of $28,800 for grain alone. The portion of this line already built has always been a large and consistent shipper of grain, which is of a long haul character, and thus would add materially to the business of other lines of the system.

Hon. Mr. MURPHY: Honourable gentlemen, before these Bills are rushed through and this pile of money is voted, I have a few observations to make. I feel that an evident discrimination has been made against my province and that an injustice has been done. It is therefore only natural and reasonable that I should voice my protest. We are here voting millions and millions of money to build new lines in sparsely settled territory and some of these lines, I know of my own personal knowledge, are not justified at all. At the same time we have in Prince Edward Island, in the hands of the Government, a railway that is forty years old and is not yet completed. It is broad-gauged for 120 miles, but there are 120 more to be done. I see every other province in Confederation getting hundreds of thousands and in some cases millions of money voted, and not one cent for the completion of this road in Prince Edward Island, which is, as I say, broad-gauged to only half its extent, and, in the ordinary acceptation of the term, is not properly ballasted at all. I cannot understand why there should be this discrimination. Is it because we are a small province? Is the Government going to take advantage of the weak? I say in all seriousness to my honourable friend that the injustice is so palpable that I would be remiss in my duty if I did not enter a protest. I cannot understand why proper representations were not made to the Government. Some representations must have been made, because we have sufficient men in the Government to make them.

The broad-gauging on our road was started about six years ago; in fact it was projected in 1911 or 1912, but the war came on and, as you know, such matters stood in abeyance. As soon as the war was over, the Government of the day broad-gauged the road to the extent of about sixty miles. It was in that condition when the present Government came into power, and after a year it broad-gauged sixty more. That is about half—there is about as much more to be done.

In the name of common sense why do we not get something from the "pork barrel," if you want to call it that? Some of the legislation, if it goes through, will be from the pork barrel. We have a thickly settled population who are suffering to-day for want of proper facilities. Having only a narrow-gauge railway, they can haul only half a load at a time. We should have a reasonable, fair share in the money to be expended, because, although we have but a small population, we shall have to pay our part of the fifty, sixty, or seventy-five millions that these Branch Lines, if constructed, will cost.

There is the other evident injustice: we have no ballast in our province.

Hon. Mr. BENNETT: You are like the present Government.

Hon. Mr. MURPHY: There may be something in what my honourable friend says. We have no proper ballast on our road. Why was not some provision made for that? Where the heavy engines and heavy cars run on the newly built part of the line, it is a menace to life not to have the road properly ballasted. When you were running gingerbread engines and gingerbread cars on the rails in the spring of the year, when the frost was coming out of the ground, it was not so dangerous to have the trains lurch this way and that way; but it is different to-day when you have those heavy mogul engines and heavy trains. Proper ballast is now an absolute necessity.

I think this injustice should be rectified even yet, in the supplementary estimates. I am sorry that proper representations have not been made to the Government. I feel that if they had been, the Government would not be guilty of such an act of injustice.

Hon. Mr. DANDURAND: I will draw the attention of the Railway Department, or the National Railways, to my honourable friend's representations.

Hon. Mr. McLEAN: Honourable gentlemen, I will not vote for any new branch railway until Prince Edward Island has had its railway completed. In my own business we have a cold storage plant which cost us $20,000. For the last seven or eight years we have had to hold the cold storage goods in the plant until the winter time. We have been selling goods right here in Ottawa, but we cannot do so in the summer time. We have a branch line of regular gauge from Charlottetown to Summerside and Tignish, and from there to Borden, but the rest of the railway is narrow-gauge. A cold-storage plant would be necessary for the transfer of the goods. They would not get across during the summer time, because you cannot have a cold storage plant on a narrow-gauge railway. For these reasons I think the Government should complete the railway that is only half finished, before they enter upon the construction of branch lines.

Hon. Mr. MURPHY: And should complete the ballasting.

Hon. Mr. WATSON: Where do you get your ballast?

Hon. Mr. MURPHY: We shall have to get it from New Brunswick or Nova Scotia. We have none.

Hon. Mr. MURPHY.

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

STE ROSE DU LAC-RORKETON BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 43, an Act respecting the construction of a Canadian National Railway Line extending the Ste. Rose du Lac Branch to Rorketon in the Province of Manitoba.

Ste. Rose du Lac—Mile 15-37

	Cost
Grade now ahead of track—22 miles.	
Proposed in 1924—22 miles track..	$378,000
Proposed in 1925—nil..	.....
Proposed in 1926—nil..	.....
	$378,000

It is proposed during 1924 to lay 22 miles of track on the grading already done on this line, at an estimated cost of $378,000, it then being intended to allow the track to remain at this point for a few years before further extending this line.

Prior to 1919 the line was in operation to the Station of St. Rose du Lac, Mile 11.3 with the track laid further to Mile 14.9, and the grade to Mile 18.1. In 1919, a grading contract for 18.9 miles was let. This contract was completed in the year 1920, the grade then reaching Mile 37.0. This left 22 miles of grade on which no track has been laid. A location survey has been made for about 22 miles beyond the end of grade, with the eventual idea of tying the line into the town of Winnipegosis.

This branch runs generally north through a scrub timber country which has plenty of precipitation each year. There is considerable grain grown in this district but it is best suited for mixed farming. The land is practically all taken up and has very considerable settlement on it.

The justification for building this line is that about $110,000 has already been invested in the grading now done, which is earning no money, and it is estimated that 396,000 bushels of grain per year will be hauled off the line when completed. An average of about 16 miles road haul on grain will be saved to the farmers adjacent to this line, and this computed as worth ¾c. per bushel per mile hauled, would effect an annual saving to the farmers of $47,520 on grain alone. Besides the grain business it is estimated that 190 cars of in and outbound freight will be handled each year, consisting of live stock, lumber, wood and merchandise. The freight obtained from this line will be practically all of a long haul character, thus furnishing the rest of the system with considerable traffic.

Wagon road construction in this district is difficult and expensive on account of the sections of low wet ground. The railway would supply the main artery for this district, permitting the expenditures to be confined to lateral roads, and the Provincial Government has been appropriating money and building these lateral roads to the proposed sidings.

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

TURTLEFORD-HAFFORD BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 48, an Act respecting the construction of a Canadian National Rail-

way Line from Turtleford to near Hafford in the Province of Saskatchewan.

Turtleford S.E. Mile 0-102

	Cost.
Grade now ahead of track—23 miles.	
Proposed in 1924—43 miles grade; 45 miles track; 30 miles ballast..	$ 966,000
Proposed in 1925—36 miles grade; 57 miles track; 35 miles ballast..	1,143,500
Proposed in 1926—37 miles ballast..	203,500
	$2,313,000

It is proposed in 1924 to add 43 miles to the already existing 23 miles of grade and to lay 45 miles of track, and 30 miles of ballast, at a cost of $966,000, and in 1925 to further grade 36 miles and to lay the track on the then remaining 57 miles of grade, and do 35 miles of ballast at a cost of $1,143,500, and in 1926 to add 37 miles of ballast thus completing the line to join the existing line near Hafford.

The 23 miles of grading now completed was started in 1920 and completed in 1921. Beyond this no other work has been done on the line.

The district through which the line runs is generally rolling, with timber in places of small sized poplar in bluffs with prairie openings. It is a largely mixed farming area, but a considerable portion of the land is susceptible to wheat raising. The land is mostly taken up and there is considerable development, particularly in the vicinity of Meeting Lake, or approximately half-way between Turtleford and Hafford.

The justification for this line is that there are a large number of settlers in its vicinity now such a distance from railway facilities that the road haul on their products is so excessive that it is almost prohibitive. It is estimated that this line will produce on an average 2,400,000 bushels of grain each year, besides 800 cars of freight in and outbound, consisting of live stock, coal, lumber and merchandise. About 32 miles on the average would be saved the farmers in their road haul on the 2,400,000 bushels of grain, which it is expected this district will produce annually, and if this is taken as being worth ¾c. per bushel per mile hauled, it would make an annual saving of $576,000 to them for haul on their grain alone. There is invested at present $207,200 on the right of way and grade, which is earning nothing. The business obtained from this line will mostly be subject to long haul, and thus contribute considerable business to other lines of the system.

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

KELVINGTON BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 50, an Act respecting the construction of a Canadian National Railway Line from near Kelvington in the Province of Saskatchewan northerly 13 miles.

Thunderhill, Mile 114-127

	Cost
Grade now ahead Track—4 miles.	
Proposed in 1924—9 miles Grade..	$ 75,000
Proposed in 1925—13 miles Track and Ballast	215,000
	$290,000

It is proposed to grade in 1924, 9 miles from the present end of grade, now 4 miles beyond Kelvington, at an estimated cost of $75,000, and in 1925 lay track and ballast the line for 13 miles at a cost of $215,000. This will take the line to a point on the Tuffnell Extension of the Canadian Pacific Railway now building. It would then be the intention to obtain running rights over the C.P.R. from this point to Tisdale. The purpose of this line, and the proposed running right is to get a shorter routing for all traffic west of Tisdale. Last year's proposal was to construct a line over the same route, but since the authority of Parliament was withheld the C.P.R. have commenced construction of their line over this route, and have thus secured the territory.

The route will be 24 miles shorter than by existing lines so the saving in train miles and consequent saving in operating costs on present business will contribute materially to the operating net, after the fixed charges imposed for construction and running right rentals have been deducted from the operating savings.

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

PRINCE ALBERT-PADDOCKWOOD BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 51, an Act respecting the construction of a Canadian National Railway Line from Prince Albert to near Paddockwood in the Province of Saskatchewan.

Prince Albert, N.E. Mile 0-23

	Cost
Grade now ahead of track—17 miles.	
Proposed in 1924—6 miles grade; 23 miles track..	$406,000

It is proposed in 1924 to add 6 miles to the grading already done and lay track on this 23 miles, taking the line to near the town of Paddockwood, and there leaving it for a time.

The first work done on this branch was in the year 1920, when a grading contract was let and by the end of the season 1921, about 17 miles of this work was completed, and since that time no other work has been done on this branch.

The line runs through a mixed farming district with considerable timber and small poplar with a small percentage of jackpine. For the first four or five miles out of Prince Albert the soil is light and not suitable for agricultural development. There is considerable settlement on the line beyond this point and in the neighbourhood of Paddockwood and beyond there is a settlement of returned soldiers.

The justification for building this line is to make good the $169,000 already spent and earning nothing, and the fact that it is estimated that 420,000 bushels of grain per year will be taken off this line, besides 230 cars in and out of live stock, lumber, wood and merchandise.

It is estimated that an average haul of 16 miles would be saved to the farmers by building this line, and computing this saving as being worth ¾ cents per bushel per mile hauled on the 420,000 bushels of grain referred to it would make an annual saving to the farmers of $50,400 for hauling grain alone.

The railway business obtained from this line will be all of a long haul character and therefore furnish considerable business to the other lines of the system.

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

EYRE-ACADIA VALLEY BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 52, an Act respecting

the construction of a Canadian National Railway Line between Eyre, in the Province of Saskatchewan, and Acadia Valley, in the Province of Alberta.

Acadia Valley, Mile 0-25

	Cost
Grade now ahead of track—42 miles.	
Proposed in 1926—25 miles track..	$463,000

It is proposed in 1926 to lay 25 miles of track on the existing grade, at a cost of $463,000, thus completing the line to Acadia Valley, 25 miles out of Eyre, and there leaving the track for some years. The grading on this line was started in 1919, and was not completed until 1921.

The line starts in the Province of Saskatchewan off the Alaska S.E. Branch at Eyre, and after running approximately 12 miles westerly, passes into the Province of Alberta.

This branch runs through a good grain growing district a greater part of its length, and most of the land is taken up and well settled. This area, however, is subject to dry seasons and the effect of hot winds in the summer, but in seasons of sufficient precipitation during the growing season gives big yields per acre.

The justification for this line is that $434,000—$305,000 up to Mile 25.0—has already been expended on the grading, which is earning nothing, and that it is estimated that 600,000 bushels of grain on the average each year will be shipped off this line, besides 140 cars of freight in and out, consisting of live stock, coal, lumber and merchandise. About 8 miles on the average would be saved farmers on road haul, and if computed to be worth ¾ cents per bushel, per mile hauled, on the 600,000 bushels, would mean an annual saving to the farmers of $36,000. All the business off this line would be of a long haul character, thus furnishing other lines with considerable business.

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

ESTON-WHITE BEAR BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 53, an Act respecting the construction of a Canadian National Railway Line between Eston and White Bear in the Province of Saskatchewan.

Eston S.E. Mile 0-35

	Cost
Grade now ahead of track—35 miles.	
Proposed in 1926—35 miles track..	$649,000

It is proposed in 1926 to lay the track on the 35 miles of grading which was started in 1919 and completed in 1921, at an estimated cost of $649,000, and there to leave the line for at least a year or two.

This branch runs through a good agricultural district with considerable percentage of the land cultivated. Like other areas in this district, it is subject to short crops in dry seasons, but in seasons of sufficient precipitation will produce a heavy yield of wheat per acre.

The justification for completing this line is that about $274,500, or more than one-quarter of the money necessary to complete it has already been expended and is earning nothing. Also that it is estimated when complete, this line should ship on the average 1,000,000 bushels of grain per year, besides 175 cars of in and out bound freight of live stock, coal, lumber and merchandise. With this line completed the farmers would save on the average 10 miles road haul and computing this as worth to them ¾ cents per bushel per mile hauled, on the 1,000,000 bushels estimated to come off this branch, there would be saved to the farmers each year $75,000 on grain alone. The freight business off this line being all of a long haul character, will furnish other lines of the system with considerable business.

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

ST. PAUL BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 55, an Act respecting the construction of a Canadian National Railway Line from St. Paul, in the Province of Alberta, southeasterly 21 miles.

St. Paul East. Mile 0-21

	Cost
Proposed in 1925—21 miles grade..	$180,000
Proposed in 1926—21 miles track; 21 miles ballast..	345,000
	$525,000

It is proposed in 1925 to grade 21 miles at an estimated cost of $180,000, and in 1926 finish this 21 miles with track and ballast at an estimated cost of $345,000.

There is considerable settlement developed east of the present end of the line, now at St. Paul, and for the distance proposed there is good country susceptible of considerable grain growing and mixed farming.

The justification for construction of this line lies in the fact that it is estimated that when the 21 miles as proposed is built it would produce annually 630,000 bushels of grain, besides giving in and out bound 185 cars of freight, consisting of live stock, coal, lumber and merchandise, all of which being of particularly long haul character would contribute considerable to other lines of the system.

It is figured that on an average 14 miles road haul would be saved to the farmers by this line, and applied to the 630,000 bushels of grain expected and taken at ¾ cents per bushel per mile hauled, would mean an annual saving to the farmers of $66,150 for grain hauled alone.

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

ROSEDALE BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 61, an Act respecting the construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly in the Province of Alberta.

Joint Section with C.P.R.

Rosedale to Bullpound Creek, Mile 0—39

	Cost
Proposed in 1924—39 miles grade—half cost.	$593,000
Proposed in 1925—39 miles track—half cost.	322,000
	$915,000

It is proposed in 1924 to join with the C.P.R. and grade 39 miles and pay half the cost, which would be $593,000 and in 1925 jointly with the C.P.R. lay the track on this 39 miles and pay half the cost, which would be $322,000.

In 1919 when a conflict of railway routes between the C.N.R. and C.P.R. was discussed before the Board of Railway Commissioners, for a line easterly out of the Drumheller Coal fields down the Red River the Board ruled that this should become a joint line with equal rights to each railway and that the parties should make an agreement covering the same. This resulted in an agreement, May 9th, 1919, being drawn, making the stretch east from Rosedale as far as Bullpound Creek an equal joint section and fixing certain limitations in reference to the balance of the route.

The C.P.R. now wish to proceed with this joint section construction.

This line will open a further area of the Drumheller Coal fields. From the end of the joint section this line when finally linked up easterly to the Acadia Valley line will afford the C.N.R. lighter grades eastbound for coal from the Drumheller fields. It will also serve the agricultural district on either side of the Red Deer River over this distance.

No final running rights agreement has been reached with the C.P.R. as to the detailed terms for the use of the joint section, but the estimate is based on the understanding that half the money will be provided by each party.

Note:

Subject to arrangement to be made with C.P.R. Includes half cost only.

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

DIVORCE BILLS

FIRST READING

Bill G4, an Act for the relief of Florence Roberts.—Hon. W. B. Ross.

Bill H4, an Act for the relief of Hugh Allan Macdonald.—Hon. W. B. Ross.

Bill I4, an Act for the relief of Wilhelmine Christina Slater.—Hon. W. B. Ross.

Bill J4, an Act for the relief of Emma Doris Perley.—Hon. W. B. Ross.

Bill K4, an Act for the relief of Arthur Hill.—Hon. W. B. Ross.

Bill L4, an Act for the relief of Louis White.—Hon. W. B. Ross.

Bill M4, an Act for the relief of Elizabeth Reeder.—Hon. Mr. Watson.

Bill E4, an Act for the relief of Margaret Hickey.—Hon. Mr. Green.

Bill F4, an Act for the relief of William John Chenery.—Mr. Green.

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

THE SENATE

Tuesday, May 27, 1924.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's secretary acquainting him that Hon. Mr. Justice Idington, acting as Deputy of the Governor General, would proceed to the Senate Chamber at 8.30 o'clock for the purpose of giving the Royal Assent to certain Bills.

DIVORCE BILLS

FIRST READINGS

Bill N4, an Act for the Relief of Merlin Engleheart Clubine.—Hon. Mr. Green.

Bill O4, an Act for the Relief of Victoria Stella Haswell.—Hon. Mr. Pope.

Bill P4, an Act for the Relief of Thyrza Ewart, otherwise known as Thyrza Hodgins.—Hon. Mr. Pope.

Bill Q4, an Act for the Relief of Rebecca Messer.—Hon. Mr. Pope.

Bill R4, an Act for the Relief of John Henry Kirkwood.—Hon. Mr. Willoughby.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

THE ROYAL ASSENT

Hon. Mr. Justice Idington, Deputy of the Governor General, having come, and being seated at the foot of the Throne, and the House of Commons being summoned, and being come with their Speaker:

The Hon. the SPEAKER of the Senate said:

Honourable Members of the Senate, Members of the House of Commons: I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under His Sign Manual and Signet constituting the Honourable Mr. Justice Idington of the Supreme Court, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend The Patent Act (French version).

An Act to amend The Fruit Act (Franch version).

An Act to amend The Penitentiaries Act.

An Act to amend The Northern Pacific Halibut Fishery Protection Act.

An Act to amend The Judges Act.

An Act to change the name of "The Travellers Life Assurance Company of Canada" to "Montreal Life Insurance Company."

An Act respecting The Canada Southern Railway Company.

An Act to confirm an Agreement between The Ottawa Electric Railway Company and The City of Ottawa.

An Act respecting The Detroit River Tunnel Company.

An Act to incorporate The Roman Catholic Episcopal Corporation of Prince Rupert.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1925.

The House of Commons withdrew.

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

DIVORCE BILL

THIRD READING

Bill Y3, an Act for the relief of Evelyn Eira Awrey.—Hon. Mr. Smith.

PRIVATE BILLS

FIRST READING

Bill S4, an Act respecting Certain Patents Owned by the Canadian Sumner Iron Works Company, Limited.—Hon Mr. Barnard.

SECOND READINGS

Bill Z3, an Act to incorporate Joliette and Northern Ry. Co.—Hon. Mr. Gordon.

Bill A4 an Act to incorporate Shantung Christian University.—Hon. Mr. Haydon.

CRIMINAL CODE (SCRIP LAND) BILL

SECOND READING

Hon. Mr. GRIESBACH moved the second reading of Bill 5, an Act to amend the Criminal Code.

He said: Honourable gentlemen, before this Bill is read the second time there are a few observations I would like to offer in respect to it. This Bill comes to this House from the other House, where it was sponsored by the gentleman who represents the constituency for which I formerly sat, and it comes to this House without any sponsor. The honourable leader of the Government probably because of my connection with the constituency aforesaid, has asked me to move the second reading of the Bill.

Hon. Mr. DANDURAND: I drew the attention of my honourable friend to this Bill, which seemed to be fatherless, as likely to take an interest in it.

Hon. Mr. GRIESBACH: I am interested in it, and am now explaining my position in reference to it. I have no objection to moving the second reading, except that I want to accompany that motion with the explanation I am now about to make.

As honourable gentlemen are aware, the greater proportion of offences under the Criminal Code are governed by some limitation as to the time in which proceedings can be taken. In 1921, I think, an amendment to the Criminal Code was introduced in this House and concurred in by the other House, fixing a limitation to proceedings with respect to offences committed in connection with half-breed scrip. When the Bill came before that House, of which I was then a member, I attached no importance to it. I then assumed, as I do now, that there ought to be some limitation to prosecutions for this offence, as there are in regard to other offences.

As I say, the Bill attracted no particular attention, and I do not remember at the moment whether I voted for it or not. At all events, I had no objection to it going through. It subsequently transpired, however, that at the very time this amendment was introduced and passed in Parliament a prosecution under the Act as it formerly stood was about to take place, or was actually taking place, which prosecution, it is alleged, was halted by the action of Parliament in passing the amendment to the Criminal Code providing the limitation.

The Bill before us is in effect, a Bill, to abolish the amendment introduced in 1921, and to leave this particular offence without any limitation whatever. Subsequent to the passing of the Bill in 1921 it was alleged that the amendment fixing a time limit was introduced for the specific purpose of protecting the individual against whom proceedings were then pending or being taken. I may say at once that I had no knowledge of that, and no evidence is before me that such was the case; hence I offer this explanation at this time before moving the second reading of the Bill.

I think the Bill ought to go to a Committee of this House, in order that the Committee may consider, in the first place, whether or not there should be a limit to prosecutions for this offence; secondly, what that limitation should be; and, thirdly, whether, having regard to the peculiar situation which resulted, the Bill as brought into this House should be passed, or amended, or otherwise dealt with.

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

Hon. Mr. McMEANS: I would move that this Bill be referred to the Committee that has now under consideration all other Bills that have been introduced this Session amending the Criminal Code.

The motion was agreed to.

KINGSCLEAR-ST. CROIX RIVER BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 26, an Act respecting the con-

struction of a Canadian National Railway Line between Kingsclear and the St. Croix River, in the Province of New Brunswick.

He said: I beg to move the second reading of this Bill, and to repeat what I said when I moved the second reading of the other Canadian National Railway Branch Bills—that we are passing all these Bills with an explanation which will go on Hansard, but without binding the Senate to the principle of the Bill. When we have heard the discussion, and have the Committee's report upon the Bill, the Senate will be free, on the report or on the third reading, to take whatever action it pleases.

Connection with the United States Lines through New Brunswick

Mile 0-41

	Cost
Proposed in 1924—41 miles grade..	$1,446,500
Proposed in 1925—41 miles track..	676,500
	$2,123,000

It has been practically concluded that the best location for a direct connection of the lines in New Brunswick with rails in the United States, can be made by a line from Kingsclear to Vanceboro', by a line constructed between these points a distance of 41 miles, at an estimated cost of $2,123,000. As an alternative the line would be built from Kingsclear over about the same route but only as far as Harvey (14.5 miles), and there connect with the C.P.R., then running rights would be obtained over the C.P.R. from Harvey to Vanceboro' for use of our trains. Either proposal gives us a direct connection with the Maine Central Railway at Vanceboro'. This has the advantage over other proposals for a direct link to American lines, in that it will leave our proportions of present rates undisturbed, and obviates other railways sharing in the receipts before reaching the Maine Central Railway. The new line would be in Canadian territory all the way to the junction with the Maine Central Railway. As no arrangements have been concluded with the C.P.R. for using part of their line, the estimate of cost of construction of the whole distance is included.

The purpose and justification of this line is that it will give a direct interchange between the Canadian National Lines and the lines in the United States, without transferring through the C.P.R., as at present. The main advantage derived from such an arrangement will be in connection with the return of Canadian National cars from American lines as well as the more prompt handling of traffic to and from points in the New England States.

This is subject to a final arrangement being made with the Maine Central Railway or some other American Railway for interchange of traffic, and the establishment of suitable facilities.

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

ROUSSEAU-LAURENT BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 30, an Act respecting the Construction of a Canadian National Railway Line between Rousseau and Laurent, in the Province of Quebec.

Rousseau-Laurent Cut-Off, Mile 0-17

	Cost
Proposed in 1925—17 miles grade..	$719,500
Proposed in 1926—17 miles track and ballast	280,500
	$1,000,000

It is proposed in 1925 to grade the 17 miles this line involves, at an estimated cost of $719,500, and in 1926 to complete it with track and ballast, etc., at a further cost of $280,500.

The purpose of this line is the first and most important step in the grade reductions of the route from Lake St. John Country south. The present grades on part of this route are too steep for economical operation. On the engine division between Lake Edward and Garneau Jct. they are 2 per cent in each direction, and between Rousseau and Laurent is the worst section of this engine run. The proposed cut-off will have .5 per cent grades in each direction and will avoid a rise of 200 feet in each direction.

The business from this line to Montreal and points beyond is steadily increasing, and very large engineering enterprises are now under way in the Lake St. John District, for Hydro-Electric and the paper industry development. If the expenditures now being made there are justified, it means the business to and from this district must be increased by several times the present quantity. Our line without improvement is not in shape to cope with much more business, and without grade reduction would soon come to the limit of its capacity. Another phase of the matter is that with the present freight rates and costs, it is not possible on bulk tonnage to get sufficient tonnage behind a locomotive to pay direct out of pocket expenses while operating over the present grades. This means that increased business instead of helping us only puts us further in the hole, whereas, if we reduce the grades, we can look forward to increased tonnage eventually contributing to our net profits, in an increasing ratio.

There are further grade revisions necessary to make this line a .5 per cent gradient route. Taking all of them into account it has has been shown that, with increased business the operating saving will pay a handsome return on the amount involved. Awaiting confirmation of expected increases in business, no work is proposed till 1925, when it is anticipated this work will be badly required.

Note.—Revision of Line to Lake St. John.

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

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 32, an Act respecting the Construction of a Canadian National Railway Line between Sunnybrae and Guysborough, in the Province of Nova Scotia.

Sunny Brae, Mile 0-67

	Cost
Proposed in 1924—nil.	
Proposed in 1925—67 miles grade..	$2,300,000
Proposed in 1926—67 miles track..	1,200,000
	$3,500,000

In 1924 no actual work of construction is proposed, but final surveys will be run and in 1925, it is the intention to do the grading on the 67 miles from Sunny

Brae to Guysboro' at a cost of $2,300,000, and in 1926 to lay the track and complete the line to Guysboro' at a cost that year of $1,200,000.

The purpose of the line is to open up the local territory for lumber industry and provide better facilities for agricultural products as well as give direct communication to Guysboro' for its fishing and allied products. On part of the route there is considerable agricultural development, and quite extensive hardwood forests which the railway will make it possible to develop.

The original intention of the survey for this line had in view a low grade line with the idea of making it the main line. The results of the surveys indicated that to obtain this character of line it would be very costly, and on account of the fact that the present main line could not be abandoned, and would have to be maintained and operated, it could not be shown that such a line, with its excessive cost of construction would be justified. The present intention is to construct a line to open up the local territory and build it to cheaper standards of construction, but keep in view the eventual use of it for an alternative main line at any time this would be warranted. Therefore, the line will be located so that eventually a low grade could be obtained, but employ steeper grades for the immediate construction.

It has been estimated that there are 250 million feet of hardwood and 200 milloin feet of softwood available to the line, and also some possibilities in gold and iron mining which have not been developed, possibly due to lack of transportation facilities.

The justification for this line is that it will serve a section of the country that has been in long need of railway communication in order to give it a real chance for development and to put the town of Guysboro' in direct rail communication with the Canadian National System.

Hon. Mr. STANFIELD: I do not rise either to support or oppose this Bill, but to call the attention of the leader of the Government to the letter he read from Sir Henry Thornton giving reasons why these branch lines should be built. The first reason was:

(1) The money already spent and the work already done on each line, where such conditions existed.

I wish to call the attention of the honourable leader to the fact that in the county of Colchester there is an old line called the Stewiacke and Lansdowne Valley Railway. This road was started years ago. The company that started it failed, and a great many farmers in that constituency who were shareholders, lost their money. The Provincial Government now owns the railway. I may add that 10 miles of that railway are already graded. In my judgment, this branch line is as much needed as many lines that the Government are proposing to build to-day, and I would ask the railway authorities to look into this matter and say why they did not include this branch with the others.

Hon. Mr. DANDURAND: The only thing I can do is to promise my honourable friend that I will see that his inquiry shall reach the Management of the Canadian National Railways.

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

Hon. Mr. DANDURAND.

COWICHAN BAY BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 34, an Act respecting the Construction of a Canadian National Railway Line to Cowichan Bay, on Vancouver Island.

Cowichan Bay. Mile 0-8

	Cost
Proposed in 1924—8 miles grade..	$230,000
Proposed in 1925—8 miles track..	128,000
	$358,000

In 1924 it is the intention to do the grading and bridging on the 8 miles at a cost of $230,000, and in 1925 to lay the track on it and complete it at a cost for that year of $128,000.

The purpose of this line is to make a short routing to tidewater for timber and its products from Vancouver Island line. This would shorten the route 52 miles as against the haul to tidewater at Victoria. Besides shortening the route it would make a possible location for dumping of logs at tidewater, as there is not suitable location at Victoria for this purpose.

The construction of this line will make possible the hauling of logs off the Vancouver Island line, which at present has a length which is prohibitive.

There are a large number of timber owners who stand ready to go into a big development of timber and its products as soon as this line is completed.

NOTE:—Short cut for logs to salt water.

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

COTTONWOOD CREEK BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 35, an Act respecting the Construction of a Canadian National Railway Line to Mile 100 on Vancouver Island.

Vancouver Island. Mile 74-100

	Cost
Grade now ahead of track—55 miles.	
Proposed in 1924—9 miles track and ballast.	$155,000
Proposed in 1925—17 miles track and ballast.	193,300
	$348,300

It is proposed in 1924 to lay 9 miles of track from the foot of Cowichan Lake to Cottonwood, and repair 17 further miles of grade, at an estimated cost of $155,000. In 1925 to lay the track from Cottonwood, Mile 83, to Mile 100, at a cost of $193,300 for the year.

Prior to 1914 the grade on this line had been opened up to Mile 135.7 and had been completed continuously to Mile 109, with certain patches incomplete from there to Mile 135.7. By 1921 the bridges and track had been completed to Mile 74.0, at the foot of the Cowichan Lake, and subsequently nothing further has been done on this line.

The character of the country for the first 16 or 17 miles out of Victoria is partly agricultural and partly timber area of a light and scattered character of fir timber, of which a good deal has already been logged off. From Mile 20.0 to Mile 50.0 is fully timbered country, but the timber is not as thick nor as heavy as further ahead on the line. From Mile 50.0 through

to the Alberni Canal the line runs through an exceptionally heavy stand of timber on which, up to the present, there has been practically no development, except along the Cowichan Lake where considerable logging operations have been and are going on during the working seasons. The only business of any consequence that can be expected from this line for a great many years to come will be timber and its products until the timber has been cleared and the stumps taken up to permit of agricultural development.

The justification for construction of this line is to handle the timber and its products. As the haul from Cowichan Lake on the line to Victoria is 74 miles over a line of 1.5 per cent grades and 12 degree curves, rates that would pay the railway would be excessive. To shorten this distance an alternative has been looked for and found by the proposed construction of what is known as the Cowichan Bay Cut-Off which would be a branch 8 miles in length from a point on the line about 16½ miles south of the foot of Cowichan Lake, at Mile 58.0, to tidewater at Cowichan Bay, thus reducing the haul from the foot of Cowichan Lake to tidewater from 74.5 miles to 24.5 miles. This cut-off being constructed will warrant the extension of the main line to Mile 100.0, which would tap an area of exceedingly fine timber and bring it within reasonable rail haul to tidewater and should produce a big traffic.

NOTE:—Extension to reach further timber areas.

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

NIPAWIN BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 40, an Act respecting the Construction of a Canadian National Railway Line either to Mile 41 near Nipawin or in a northeasterly direction to a point in Township 48, Range 13, west of the Second Meridian, in the Province of Saskatchewan.

Melfort, N.E.—Mile 24-41

	Cost
Grade now ahead of track—6 miles. Proposed in 1924—11 miles grade; 17 miles track..	$360,000

It is proposed in 1924 to add 11 miles of grading to the existing 6 miles ahead of the track and lay the steel on this 17 miles, taking the line to near the Town of Nipawin, at an estimated cost of $360,000. When this work is completed, it is proposed to leave the track there for some years.

The first work was done on this line in 1919, when the grading was started, 30 miles of which was completed by the end of the season 1920, the track being laid on 23.7 miles in 1921, and in 1922 the ballasting, etc., being finished that far.

The line runs through a particularly good agricultural area, admirably suited for grain growing and the proposed extension would take the branch into the heart of a large settlement very well developed. The grain off this line is its justification it being figured that 612,.000 bushels annually might be expected, besides which 140 cars of freight inbound and outbound, consisting of live stock, coal, lumber, merchandise and wood, would be furnished the line. Practically all of these commodities, and particularly the grain and live stock, give a long haul to the railway, thus supplying other lines of the system with considerable business.

It is estimated that the average saving in distance for road haul to the farmers for their grain would be 12 miles, and if this is taken to be worth ¾c. per bushel per mile hauled, on the estimated Quantity of 612,000 bushels this would make a saving annually to the farmers of $55,080 on the grain alone.

Note.—This was the statement read to the House by the Minister of Railways and Canals but, in view of the fact that the description of the line was amended by the provision for an alternative route extending "in a northeasterly direction to a point in Township 48, Range 13, west of the Second Meridian," this memorandum will have to be read in the light of such amendment.

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

HANNA-WARDEN BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 44, an Act respecting the Construction of a Canadian National Railway Line between Hanna and Warden, in the Province of Alberta.

Hanna-Warden—Mile 0-57

	Cost
Proposed in 1924—57 miles grade..	$504,500
Proposed in 1925—57 miles track and 30 miles ballast..	792,000
Proposed in 1926—27 miles ballast..	148,500

In 1924 it is proposed to grade 57 miles of this at a cost of $504,500 and in 1925 to lay track on this 57 miles of grade, and ballast 30 miles at a cost of $792,000. In 1926 it is proposed to ballast 27 miles at a cost of $148,500 thus completing the branch.

Construction of this line will serve a double purpose as it will open up the agricultural district through which it will run and will also make a shorter route for railway and other coal to Hanna and points east, as well as shortening the route from points on the Goose Lake line to points northwest.

The country through which this line runs is a good agricultural area, principally grain raising, and there is considerable settlement and development throughout.

The justification for the construction of this line is that about $42,000 per year will be saved in routing coal, and that there will be 1,710,000 bushels of grain marketed off this line, besides 370 cars of in and outbound freight consisting of live stock, coal, lumber and merchandise. It is figured that on the average 12 miles of road haul will be saved to the farmers, and this applied to the 1,710,000 bushels of grain and taken as being worth ¾c. per bushel per mile hauled, will mean an annual saving to the farmers of $153,900 in road haul on grain alone. The class of freight produced from this line, being all of a long haul character, will contribute business to other lines of the system.

Note.—To short route railway coal.

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

LOVERNA BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 45, an Act respecting the construction of a Canadian National Railway Line from Loverna westerly in the Province of Alberta.

Loverna Extension. Mile 0-50

	Cost
Proposed in 1924—20 miles grade..	$146,800
Proposed in 1925—30 miles grade; 50 miles track; 30 miles ballast..	935,200
Proposed in 1926—20 miles ballast..	110,000
	$1,192,000

In 1924 it is proposed to grade 20 miles at a cost of $146,800 and in 1925 to add 30 more miles of grade and to lay track on 50 miles, and ballast 30 miles at a cost of $935,200 for that year. And, in 1926, to finish the line by ballasting 20 miles at a cost of $110,000.

The line runs through a good district susceptible of wheat raising and mixed farming, and there is already considerable settlement and development in this area.

The justification for the construction of this line is that it is estimated that 1,500,000 bushels of grain will be produced off it annually, besides 305 cars of in and outbound freight, consisting of live stock, coal, lumber and merchandise. On the average, 16 miles road haul will be saved to the farmer, and this taken at ¾ cents per bushel per mile hauled, on the 1,500,000 bushels estimated to be produced, would be a saving to them of $180,000 per year on grain haul alone.

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

DUNBLANE-MAWER BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 49, an Act respecting the construction of a Canadian National Railway Line between Dunblane and Mawer or a point west thereof, in the Province of Saskatchewan.

Dunblane-Mawer, Mile 0-42

	Cost
Grade now ahead of track—nil.	
Proposed in 1924—42 miles grade; 28 miles track..	$ 928,000
Proposed in 1925—14 miles track..	1,839,000
	$2,767,000

It is proposed in 1924 to do all the grading on the 42 miles between Dunblane and Mawer and lay the track to the South Saskatchewan river; also complete in that year, if possible, the substructure for the bridge across the river. In 1925 it is proposed to complete the trackwork and the superstructure of the bridge.

The main purpose of this line is to join the system of existing lines west of Dunblane to the G.T.P. Riverhurst branch at Mawer, in order to bring that area into more direct communication with the Moose Jaw-Regina district. The work will involve a large bridge across the South Saskatchewan river near Elbow, but it is justified by the improved routing to Moose Jaw and Regina from the west. It is estimated to make a saving of $131,000 per year on train miles saved. It is also estimated that this line should produce considerable grain and some other in and outbound freight, consisting of live stock, coal, lumber and merchandise. A certain amount of road haul will be saved to the farmers on their grain. The local business off this line, being mainly grain will all have a long haul and thus tend to feed the main lines of the system. The real justification of this line however is the short routing of traffic.

Note.—Includes bridge over South Saskatchewan river, purpose is to link up lines.

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

RADVILLE, BENGOUGH OR RITCHIE BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 54, an Act respecting the construction of a Canadian National Railway Line from or near Radville, Bengough or Ritchie, in the Province of Saskatchewan.

Radville S. & W., Mile 0-115

	Cost
Proposed in 1925—90 miles grade; 50 miles of track and ballast..	$2,235,000
Proposed in 1926—25 miles grade; 65 miles track and ballast..	1,471,000
	$3,706,000

It is proposed in 1924 to make final surveys, and in 1925 to grade 90 miles of line, lay track and ballast 50 miles of this at an estimated cost of $2,235,000 for that year. And in 1926 finish the line to Fife Lake (Mile 115.0) at an estimated cost for the year of $1,471,000.

The original intention many years ago of extending the line beyond Bengough was in a generally westerly direction from Bengough through Willowbunch. Surveys were made over this ground and then considerable agitation developed to have this route modified, resulting in a survey being made from Bengough in a southwesterly and westerly direction past Fife Lake. On the completion of these surveys further agitation developed to run the line from the vicinity of Ritchie about due south and touch the west end of Big Muddy Lake, and then run generally west and tie into the second survey.

The result of these agitations appears to have divided the whole territory into three camps, each advocating the construction of the line into their own territory. For a period, two of the factions came together and advocated the line from Ritchie south via Big Muddy Lake, and against them was left the other faction, advocating the line to Willowbunch. Subsequently, however, the consolidation of these factions reverted to their three original parts, each advocating the construction of the line into their own territory. More recently, however, agitation has developed to start the line from Radville in a generally southerly direction and then swing west past Big Muddy Lake to Fife Lake, and have this constructed rather than the line, starting elsewhere.

After careful study of the matter, the conclusion has been reached that one line must be selected for this area, and that it should be so located that the settlers will agree that it best suits the needs of all concerned. Although the line from Radville is longer and more expensive than any of the other proposals it will serve and relieve more territory, and apparently more nearly meet the needs of the district. The Management, however, before the final location is fixed, wish a positive and final expression of all those interested.

The justification for construction of this line is that a great many settlers are a long distance from Canadian railway shipping points, and many are forced to trade at railway points in the United States. It is

estimated that this line would produce 2,760,000 bushels of grain, and besides this there would be 750 carloads of freight in and outbound composed of live stock, coal, lumber and merchandise. About 20 miles road haul would be saved on the average to the farmers served by this line, and computing this to be worth ¾c. per bushel per mile hauled, on the 2,760,000 bushels expected from this line, it would mean an annual saving to the farmers in this district of $414,000 for grain haul alone.

Note.—This was the statement read to the House by the Minister of Railways and Canals but it is to be noted that the description of the line was so amended as to permit the construction of the same from any of the three points, namely, Radville, Bengough or Ritchie. The Act as introduced proposed to build from Radville.

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

PINE FALLS BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 62, an Act respecting the Construction of a Canadian National Railway Line to Pine Falls in the Province of Manitoba.

Pine Falls. Mile 0-44

	Cost
Proposed in 1924—44 miles grade..	$374,000
Proposed in 1925—44 miles track and ballast.	726,000
	$1,100,000

This branch as proposed will be 44 miles long leaving the Victoria Beach Subdivision near East Selkirk and terminating on the Winnipeg river near the Fort Alexander Indian Reserve. In 1924 it is proposed to do the grading of the 44 miles at an estimated cost of $374,000 and in 1925 to lay the track thereon at an estimated cost of $726,000. The construction of this line is conditional on a Paper Mill being built at Pine Falls.

The main purpose of this branch is to serve a pulp and paper plant to be built on the Winnipeg River at Pine Falls. It will also serve a good agricultural country on the way, besides shortening the route into the mining district now developing north of the Winnipeg River. The immediate terminus will be near a good crossing of the river, so as to make it possible to readily extend this line when necessary.

When complete, the proposed pulp and paper plant would supply immediately about 1,500 cars per year of their products, which will steadily grow with the expansion of this industry, besides considerable inbound freight of merchandise and other supplies. The local farm territory would also furnish considerable outbound business. The freight to and from the pulp and paper plant would not only be handled over this branch, but would extend for distribution over the Company's lines to various points, therefore mean considerable long haul traffic to the railway.

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

LOCKEPORT BRANCH LINE BILL

SECAND READING

Bill 63, an Act respecting the Construction of a Canadian National Railway Line between Lockeport Station and the Town of Lockeport, in the Province of Nova Scotia.

Lockeport Spur. Mile 0-4

	Cost
Proposed in 1925—4 miles grade; 4 miles track..	$161,000

It is proposed in 1925 to grade and complete this spur of 4 miles in length from the station of Lockeport to the town of Lockeport.

The town of Lockeport is four miles from the station of Lockeport, and consequently the town has no direct railway communication. The purpose of the spur is to supply this deficiency.

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

CHINA CLAY-ST. REMI D'AMHERST BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 64, an Act respecting the Construction of a Canadian National Railway line from the end of the China Clay Branch to St. Rémi d'Amherst in the Province of Quebec.

St. Rémi. Mile 0-2

	Cost
Proposed in 1925—2 miles grade; 2 miles track..	$105,000

Subject to the subsidy matter being settled, it is proposed in 1925 to grade two miles and lay the track on it at a cost of $105,000 which will extend the China Clay Branch into the town of St. Rémi d'Amherst. The purpose and justification of this line is that it will give direct railway communication to the town of St. Rémi d'Amherst which it has lacked in the past.

NOTE: Subject to subsidy being settled before work starts.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, before this Bill is read the second time, I want to call my honourable friend's attention to a matter which I think would facilitate the work of the Committee, and afterwards of the House. I have gone through memoranda relating to a number of the different branches proposed; in some cases the information is very meagre and fragmentary and there is an avoidance, almost, of any statement as to the present population of the localities—which, of course, is a pretty important consideration. That condition can be remedied by questions put in the Railway Committee; but there is one thing that would be immensely helpful to the members of this House who really wish to study any of these propositions. Reading over the memoranda with reference to a certain railway route, without having visualised before you the existing routes parallel to or running through or connecting with the route—

Hon. Mr. CASGRAIN: A good map.

Right Hon. Sir GEORGE E. FOSTER: —it is impossible to get a good idea of the

geographical lay of the ground. It might take considerable labour to prepare a little sketch map of each locality, so that the members could study the situation; but if that were done it would be immensely advantageous. I suppose those who go to the Railway Committee meetings will find ample maps showing not only the proposed route, but every existing line, so that they may get a relative idea of the necessity for and comparative advantage of having the construction carried on.

Hon. Mr. CASGRAIN: And of the number of towns along the route, with the populations.

Hon. Mr. DANDURAND: To-morrow at the Committee we will have representatives from the Canadian National Railways, and perhaps from the Departments, who are familiar with the lay of the ground. I will hasten to ask them if we cannot get a sketch for distribution to the members of this Chamber who are not members of the Committee. At the same time, I would urge all the members of the Senate who are not sitting on other Committees at the time, to join that Committee in order that they may have first-hand information.

Right Hon. Sir GEORGE E. FOSTER: But I want to call my honourable friend's attention to the fact that it will be utterly useless for the Railway Committee to meet to-morrow morning, even though there are scores of officials of the railway with their tongues ready to answer questions unless there is a map.

Hon. Mr. DANDURAND: The map in each case will be on the wall; but I will ask if small prints of those maps cannot be issued.

Right Hon. Sir GEORGE E. FOSTER: If there is a map on the wall that is as inclusive as I have suggested, it will fill that part of the bill. The small sketch map would be of great advantage to the members of the House and the Committee.

Hon. Mr. DANDURAND: We will meet these gentlemen to-morrow, and they will undoubtedly have all the maps necessary to satisfy the Committee; but I will ask them if they cannot have some maps made on a smaller scale for the members of the Senate.

Hon. Mr. WILLOUGHBY: I have been examining the wall maps used in this connection in the Comittee of the other House. Some of them are fairly large and fairly satisfactory; but there are many members of the House, not members of the Committee, who are very much interested in this question, and it would not be possible for them to follow the maps on the wall. The eye will not follow them closely enough. The suggestion of the honourable member for Ottawa (Right Hon. Sir George E. Foster), if followed, would be very helpful indeed in studying at least some of these branches. I do not think what has been suggested would be very expensive. In the Map Printing Department they have diagrams of townships and districts which could very readily be extended. I had one extended in regard to one of these branch lines some time ago. This would indicate in detail and more satisfactorily the location of the lines. Also, on these small maps could be put the other lines of railway, and the connections could be shown, making clear the advantages to be derived in building the railways, and the new territory that would be served.

Hon. Mr. WATSON: I think the Board of the Railways ought to be requested to do what any private individual would be obliged to do. Any person applying for a charter has to have a route map made to a certain scale.

Right Hon. Sir GEORGE E. FOSTER: That shows their own route, but not necessarily the crossing or parellel lines.

Hon. Mr. CASGRAIN: Oh, yes—a map of the country adjoining.

Right Hon. Sir GEORGE E. FOSTER: It could easily be done, and it ought not to be very expensive. In any event, we ought to have it done.

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

BANKRUPTCY BILL

SECOND READING

Hon. Mr. BLONDIN moved the second reading of Bill R3, an Act respecting the application of the Bankruptcy Act, 1919, to the Province of Quebec.

He said: Honourable gentlemen, before this Bill is read a second time, I may give just a few words of explanation. It applies only to the province of Quebec declaring that so far as that province is concerned the Bankruptcy Act shall apply only to traders.

Since the Bankruptcy Act became law only one Province, I think, has complained of the law. Those who have followed the reports in the newspapers of Quebec know that the Act has been bitterly criticized. This may be wondered at in view of the fact that be-

fore Confederation and since, the representatives of the province of Quebec in Parliament have contended for the enactment of a Bankruptcy Act. I have gone through Hansard for a number of years, and I could quote the opinions of the best-informed and the leading minds of the Province of Quebec, showing how they pressed Parliament to enact a Bankruptcy Act. This being so, the complaints coming from the Province of Quebec do not certainly refer to the principle of the law.

If one goes into the details of those complaints he will soon find where the evil lies: it is in the application of the law. Ever since the bankruptcy law has been enacted, the Provincial Legislature of Quebec has protested, and the Premier of Quebec has even gone so far as to declare that he would ask for the repeal of the Act. The law as it is applies to everyone, while it should be confined only to those engaged in trade and commerce. Before the Federal Parliament enacted the Bankruptcy Act, the Province of Quebec had defined bankruptcy in its Civil Code, and it was meant to apply to trade and commerce alone.

Therefore, having taken advice from the best informed people in the province, I have come to the conclusion that, as it stands, the Bankruptcy Act is an evil. I will not take the time of the House to quote the debates of the Legislature of last Session. Some have thought that farmers in Quebec should be exempted from the operation of the Act. How is it that the Federal Parliament alone has the right to legislate in matters of bankruptcy? The answer is obvious. It is because it is a matter pertaining to trade and commerce.

But I go further. Is it reasonable for the Federal Government, which has the right to enact this law, to apply it to every class outside of trade and commerce? The people of the Province of Quebec think it should be applied to trade and commerce alone, and I base the argument in favour of this Bill on two considerations: first, the well-known desire of the Province of Quebec that within that Province the Bankruptcy Act should apply only to traders; and, secondly, that since the Federal Parliament has the exclusive right to legislate in this matter, it pertains to trade and commerce alone, and should not go outside of that field.

Hon. Mr. DANDURAND: Honourable Gentlemen, if this Bill passes, I think it will be a very happy solution of the difficulty which we are meeting in the Province of Quebec. The Act is applied, as my honourable friend has just said, to the farming community, and has created considerable disability. Some farmers have taken advantage of the Act, with the result that others who could have struggled through and met their liabilities, if they had been helped by loans, were refused loans because of the danger of the application of the law. I am happy to join with my honourable friend in supporting this Bill.

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

THE LEAGUE OF NATIONS

DISCUSSION CONTINUED

The Senate resumed from May 22, the debate on the inquiry of Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to the operation and activities of the League of Nations for the past year and inquire if the Government have considered the advisability of furnishing the Members of Parliament with the monthly summary of the League of Nations and the annual report to the Assembly on the work of the Council and the Secretariat and on the measures taken to execute the decisions of the Assembly.

Hon. JOHN S. McLENNAN: Honourable gentlemen, it is not my purpose to take up any of the time of this honourable House in going over the ground which has been traversed by our right honourable colleague (Right Hon. Sir George E. Foster). His handling of the matters with which he dealt was so clear and exhaustive, and his knowledge and earnestness are always so great, that it would be presumptuous for anybody to follow along exactly the same lines. But it has been my good fortune to have spent the better part of a fortnight in April at Geneva, and through our friend Sir Herbert Ames, whom I found there well esteemed and occupying the most important position of controller of the purse strings, I kept in contact with some members of the Secretariat and became to a certain degree familiar with the work that was being carried on by the League. I found the effectiveness of that work to be due apparently to the fact that the Secretariat had so prepared themselves for questions which were likely to arise, that they were able to deal promptly with the matters which were brought to their attention, or confided to their care, and could almost immediately present schemes that were in many cases accepted. For example, it was only a few weeks after the financial rehabilitation of Austria was entrusted to them that they were able to present a scheme which met immediately with approval, and which has justified that approval by its remarkable effectiveness in restoring

Austria to something like a prosperous condition, or at all events turning her steps into a highway which will lead to a condition absolutely different from that which confronted her but a few months ago. I was greatly impressed with the work which the League did. I would recommend anybody at all interested, even anyone who has kept himself as familiar as possible with the work of the League, to visit Geneva to see the processes actually at work.

Yet, however appreciative one may be, however one may strive to make a fair appraisement of the work the League is doing, one has to recognize that there has been considerable criticism and that a certain amount of disappointment prevails that the League has not accomplished more. It is not necessary to attempt to analyze the causes of this disappointment and these criticisms. I think that they largely arise from the fact that we have not looked back into history and seen how very much longer the realization of results has taken than was expected. This naturally would be peculiarly the case after so great a cataclysm as the war. The very intensity of the struggle made one feel that when success was attained its results would be realized sooner than has proved to be at all possible.

Take, for example, the previous great upheaval, namely, the Napoleonic wars. It was all of thirty-five or possibly forty years before Europe reached a condition of stability in which, with minor interruptions, she could devote herself to the arts of peace and to that industrial and economic expansion which took place between the fifties and the seventies. It was found then that history repeated itself. Just as in the fifteenth and sixteenth centuries, when nations were successful, particularly when the spirit of nationality was revived in them or newly born; as in earlier times when Spain drove out the Moors and started on a great era of discovery; when France drove out the English and embarked upon her career of exploration, and also upon her ill-fated Italian expeditions: so that later period was a time of great industrial expansion which led nations into new adventures. France, defeated in 1870, displayed once more, as she has displayed over and over again in the last three centuries, a power of recuperation which verges on the miraculous. She felt that the best proof that she had not been crushed by Germany was to make a greater France. Italy for the first time became a nation, and Italy entered upon colonial adventures. Germany too, becoming an empire instead of a group of independent states bound closely together in the zollverein, caught the flame and wanted to develop and expand. England also was prosperous and expanded, but was not the only country permitted to take up the white man's burden. Bismarck was unwilling, in the case of Germany, to go in for colonial expansion, but Germany did go in, because she was forced by the energy and the recklessness of a younger generation—a recklessness and an energy which later on brought Germany to ruin.

Such being the conditions of that period, one would have expected war to follow; but here occurred one of the most remarkable things in the history of the world. There were two parts of the world where expansion could take place: one, Africa; the other, the islands of the Pacific. Between 1880 and 1900, or close thereto, all of Africa not already held by the powers was divided among them peaceably; and a similar thing happened in the case of the islands of the Pacific and the shores of Asia, in so far as they were open to settlement. That I think, disposes of the argument against the work that is being done by the League towards effecting peaceable settlement, making arrangements, or helping to make arrangements, which prevent war, rather than following the method in vogue in the eighteenth century, when people fought for seven years, more or less, and then gave back practically what they had taken and made an arrangement which might just as well have been made before.

But I take it that part of the disappointment that has been felt about the work of the League is due to some unfortunate phrases in its covenant. Most people have read at least as far as the preamble, and that preamble speaks of "achieving" peace. Now, to achieve is to bring about through effort. That, it seems to me, is not and was never the true intention of the League of Nations. It is better expressed in a later article, which speaks of "safeguarding" peace. Many people have been disappointed because the League at once, before peace was established, did not set to work to straighten out every question which had agitated and disturbed Europe, brought about so much confusion and was greatly delaying the restoration of the world.

In this respect I would like to supplement what has been said by the right honourable gentleman who introduced this subject to our attention (Right Hon. Sir George E. Foster). He did not deal at any great length with the necessity for publicity. There must be publicity in order that the League, or any similar agencies, may be backed by a strong, intelligent public opinion. If the bulk of the people are not in favour of a thing, that thing will fail, or its success, at all events, be

seriously delayed. The student, the publicist, the intellectual, can obtain information about the work that is being done by the League, but the person who ought to be influenced is the plain man, the reader of the newspaper, the reader of the more popular magazines.

For example, a great many people in Canada are not aware that recently Canada was nearly haled as a defendant nation before the League. One of the submerged nationalities, the Six Nations, sided by an enthusiastic lawyer from the neighbouring republic, haunted the corridors of the League and so worked on the sympathies of, I believe, a couple of the members that an attempt was made to bring the rights of the Six Nations to the attention of the League. Their nations did not back up these enthusiastic and somewhat credulous gentlemen; therefore there was no way of bringing the matter before the League, and it dropped—not at all, I think, to the disadvantage of the Indians.

Hon. Mr. BELCOURT: What were they asking for?

Hon. Mr. McLENNAN: To have their nationality recognized as I understand it. I have only a somewhat sketchy knowledge of the thing, but I understand that they felt that they were never conquered; that they made a treaty of peace with Great Britain or with France, and that they were still an independent nation with national rights

Hon. Mr. BELCOURT: Somebody was pulling their leg.

Hon. Mr. McLENNAN: That would seem to be the proper view of it.

Another matter of which we hear in a general way is the settlement of the Memel question. Few of us know anything about it, yet it is an extraordinarily interesting affair. The River Niemen, to that part of Europe which it drains, is as important as the St. Lawrence is to us. The situation, as I understand it, was pretty much as if Quebec corresponded to Memel, Poland were some place up in the confines of Ontario, and Czecho-Slovakia farther away. Poland had seriously aggrieved Lithuania by taking of Vilna and the territory contiguous thereto. Lithuania objected and claimed she was in a state of war with Poland. Poland did not admit it; but Poland had Vilna and was in the better position. Now, reading about it incident by incident, it is not easy for anybody to grasp, but if the League of Nations, or some agency, or the union which supports it, could prepare information on the question with which they are dealing, or with which they have dealt, and make what the newspaper man calls a "story" out of it, to the extent to which their dealings with the matter were successful—and, as far as I can gather, their decisions in the great majority of cases have been well accepted and are working out well—it would tend to promote the good work and would make for the formation of that sound public opinion which the League or any other public institution needs to make it effective and give it momentum in dealing with the serious questions which await it.

This is not, as I see, a matter for the Government; but, touching on it in this casual way, I would call the attention of the honourable leader of the Government to the fact that there is, it seems to me, a duty which the Government of the day might perform with more vigor than they have done. What has developed within the last few years shows that nothing serious can happen in Europe, or elsewhere, which does not affect the interests of every farmer in Canada who has any surplus to sell; and all our industries are dependent in greater or lesser degree on the prosperity of the other countries of the world.

We have been given information lately as to the Lausanne Conference, but it was dealt with, notwithstanding the cable, in almost as leisurely a way as though the only communication across the Atlantic was by sail. We have heard little of what happened at the Imperial Conference. We have heard nothing or almost nothing of what was done last September at the Assembly of the League of Nations, where Canada was represented, and ably represented.

It seems to me the Government would be performing a public service if they would promptly, fully, and clearly advise the Houses of Parliament and the country of what is taking place at those important gatherings. They are important for the material reason of which I have just spoken—that our prosperity and wellbeing are tied up with those of most of the other countries of the world, and that the more thoroughly the people of Canada are informed the more likely are they to have sound judgment which will back the Government in doing what is right, or possibly check them if they get on the wrong road.

Hon. N. A. BELCOURT: Honourable gentlemen, I am going to detain the House for only a very few moments. There is really nothing to be said after the exhaustive speech of the right honourable gentleman (Right Hon. Sir George E. Foster) who in-

troduced the matter, and what my honourable friend who has just taken his seat has added to it.

I am a strong, very strong believer in the League of Nations. I believed in the purpose adopted by the League a long time before the League was thought of. If my honourable friends here will not consider it too personal for me to say so, I should like to be allowed to remind the House that as far back as 1906, in another place, on the opening day of the Session, I proposed that an address be passed inviting Their Majesties King Edward and Queen Alexandra to visit Canada. I urged in my speech that the principal motive which might induce Their Majesties to come to Canada to visit us was the hope that the then Entente Cordiale, which the Peacemaker, King Edward, had succeeded in bringing to a successful issue, might be extended if the King and Queen were to come to Canada.

I held out the idea, or the hope, that the visit to Canada would involve, on the part of their Majesties, a visit to the neighbouring republic. At that time Theodore Roosevelt was the President of the United States of America. He, though a man of warring instincts, was at that time preaching as widely as he could the doctrine of peace. It occurred to me, as I said at the time, that the visit to Washington of Their Majesties under the conditions then existing would result in the extension of the Entente Cordiale so as to take in the United States of America. I added further that it would probably lead at an early date to the inclusion of Japan. We would thus have had an alliance encircling the world and comprising the two great nations of Europe, the greatest nation of America, and the only great one of Asia, and very likely sufficient to prevent any great war.

I do not know that it would be interesting to the House, but perhaps I had better say what was the sequel. The resolution was adopted unanimously, and with great enthusiasm, in the House of Commons. It was afterwards introduced in this Chamber, and, as I was advised, was also carried with equal pleasure. I believe that all the large cities of Canada passed resolutions endorsing the action of Parliament and urging that the invitation be acceded to. Well, it was sent over to the Colonial office, and, with that want of vision that has sometimes been displayed in that particular quarter, the request of the Parliament of Canada was thrown into the waste paper basket. The then Colonial Secretary ridiculed the idea of Their Majesties paying a visit to Canada, a thing which had never been done before.

Although it may be egotistical on my part to say it, I think that if some attention had been given to the action of Parliament, and the end which I foresaw had been accomplished through the visit of Their Majesties, the great war of 1914 would probably not have taken place. I do not think that the German Emperor in 1914 would have declared war on a coalition of that kind, including England, France, the United States and Japan. I think anyone will agree with that.

I mention these things to show that this idea of the League of Nations was one which I entertained for many, many years. I thoroughly believe that the League of Nations is the only means by which we can promote and assure world peace. If that fails, I think we must give up hope that we shall have peace, and be content to live again more or less in the jungle.

There is only one observation I should like to add, and that is a reproach which I have against the League of Nations. It is the only one, for otherwise I approve of it and am fully satisfied with the aims it has assumed and the work it has done. What rather grieves me is to find that practices which the League imposes on the nations that have been reconstituted or reorganized or recognized, it is not prepared to impose on its own members. What they have preached in all the Balkan States, in Poland, in Hungary, in Germany, and what they have imposed upon those states—the protection of minorities—the League of Nations is not prepared to extend to the minorities elsewhere. If the sponsors of the League of Nations were wise I think they would not put themselves in a position to be reproached because they are not willing to practice in their own countries that which is imposed upon those re-constituted nations. I am quite sure that my honourable friends who now listen to me know to what I refer, and I do not think I need make it any plainer, but it does seem to me that they ought to listen to some of us who are believers in and strong advocates of the League, and that they might perhaps try to practice what they preach.

Hon. F. L. BEIQUE: Honourable gentlemen, I have nothing to add to what has been said and so fully covered by the right honourable member for Ottawa (Right Hon. Sir George E. Foster) except to say that I entirely agree with my neighbour (Hon. Mr. Belcourt), and am as strong a believer as he in the League of Nations, and have been so from the beginning. I think that in its success the

future of civilization is involved. I fully agree with the suggestion which has been made, that if we want the League to have its full effect we must adopt means for uniting public opinion in its favour.

I would suggest that the best way to form public opinion would be to work upon the young generation, and there would be no better way for the League to assure its future influence than by appealing to the schools. Instruction in regard to the League should be made part of the tuition in all the schools, primary as well as the secondary schools, in the different countries of the world.

Hon. Mr. BELCOURT: Will my honourable friend permit me? On this very day letters have been addressed in both languages to the universities and colleges in the province of Quebec—and this will be done elsewhere—asking those colleges and universities to do just exactly what my honourable friend has now suggested.

Hon. Mr. BEIQUE: Then I have nothing more to say.

Hon. Mr. CASGRAIN: These gentlemen have nothing more to say about it but I have a lot to say, and I beg to move the adjournment of the debate until next Tuesday, because I am not prepared to speak to-night. I have a great deal of information, and good information, as to things that have been dutifully avoided by the speakers, so I move the adjournment of the debate until Tuesday.

Hon. Mr. DANIEL: I would like to call the attention of the House to the fact that next Tuesday is a holiday, and perhaps we might not meet, so the honourable gentleman might put it off until Wednesday.

Hon. Mr. CASGRAIN: It goes automatically to the following day.

Hon. Sir JAMES LOUGHEED: There is no reason why we should not sit. We can sit on holidays.

Hon. Mr. CASGRAIN: The House of Commons is going to sit on Tuesday at 8 o'clock in the evening, because I understand there is a function in the afternoon.

The debate was adjourned.

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

THE SENATE

Wednesday, May 28, 1924.

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

Prayers and routine proceedings.

IMPORTS UNDER BRITISH PREFERENCE

INQUIRY

On the notice:

By the Honourable Lorne C. Webster:

That he will inquire from the Government:

For a list of the more important articles imported from Great Britain in Canada during the fiscal year 1923, which received the benefit of the preferential tariff.

1. What was the value thereof.
2. What was the amount of the duty collected thereon.
3. What would the amount of duty have been on the same articles if there had been no preference duty allowed, or if the general duty had been applied.
4. Also a list of the articles upon which the preferential tariff has been increased or reduced, directly or indirectly, by the budget of this year.

Hon. Mr. DANDURAND: Stand.

Hon. Mr. DAVID: Will the honourable the leader of the House tell me when he will be able to lay before the House the answer to the inquiry made by the honourable member for Stadacona (Hon. L. C. Webster), because I would not wish to make my motion before getting that information.

Hon. Mr. DANDURAND: I may inform my honourable friend that I have received a letter from the Department of Customs, I think it is—I have not got it before me—informing me that these inquiries will have to be changed into motions for returns, because of their length and the time it will take to get the information. I am sorry I have not brought the letter with me, but I will bring it to-morrow, when I will read it, and ask that these inquiries be made into motions for returns.

Hon. Mr. CASGRAIN: Returns, as the honourable gentleman knows, take a long time. This is a plain question: how much duty was collected in 1923 on goods coming from England? And: how much would the duty have been if there had been no preference? That is all that is asked.

Hon. Mr. DANDURAND: There is more than that. It asks for a list of the more important articles imported from Great Britain which received the benefit of the Preferential Tariff; and also what was the value thereof, the amount of duty collected thereon, the amount of duty if there had been no preference allowed, and also a list of articles upon which the Preferential Tariff has been increased or reduced by the Budget of this year.

Hon. Mr. DAVID: I do not know what to do about my motion. If we cannot get the information asked for by the honourable gentleman from Stadacona (Hon. L. C. Webster), I do not know when I shall make my motion.

Hon. Mr. CASGRAIN: Next sitting of the House.

Hon. Mr. DAVID: Say Wednesday next.

Hon. Mr. DANDURAND: I will interview the Deputy Minister, and try to find out if he can obtain the necessary information for me at an earlier date.

DIVORCE BILL

FIRST READING

Bill T4, an Act for the relief of Dorothy Marie Robinson.—Hon. Mr. Bennett.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from May 22 the debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and report from time to time upon:

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8, of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

Hon. Mr. DANDURAND: Honourable gentlemen, my honourable friend from Simcoe (Hon. Mr. Bennett) has opened up a question which is much larger and of much greater import than perhaps he has in mind, although I can see traces of some information which he possessed when he made a reservation in the powers that he was asking this Chamber to vest in the proposed committee of inquiry. The question now before us covers the following problem: what would a committee of this House or of the other House be authorized to do in an investigation of the activities of our National Railway system? The whole question of state ownership is involved in this inquiry: state ownership would be on trial. Under what forms, by what methods, and to what extent, can Parliament and the public be informed of the doings of the Board of Management of the Canadian National Railways and our Merchant Marine?

The motion of my honourable friend is not for an inquiry into specific facts. I draw the attention of this Chamber to sub-clause d, in which the honourable gentleman proposes to inquire into:

The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway system.

and the sub-clause f, under which he wants to inquire into:

Generally, all questions, matters and things, which in the discretion of the Committee, arise out of or are incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

Last week I suggested to the honourable members of this Chamber that they should take advantage of the week end to examine into the problems arising from the motion now under discussion, and which were discussed at length in the House of Commons in the Session of 1921. The present leader of the Opposition, the Right Hon. Mr. Meighen, was then at the head of the Government—and I may say that quite a number of his colleagues who were there present and took part and voted are now in this Chamber; and after two lengthy discussions, in which the whole question was reviewed from many angles, the Right Hon. Mr. Meighen, in view of the difficulties which confronted the House of Commons, could not go further than to move the resolution which my honourable friend read to this Chamber, and which I will again read:

That a select Standing Committee on National Railways and Shipping be appointed for the present session, and be instructed to inquire into the following questions:

(1) What information as to the operations of Canadian National Railways and Shipping as conducted by the Board of Directors and Management should, in the public interest, be brought down in Parliament on Questions, Motion for Production of Papers, or otherwise.

(2) When, by what method, and under what conditions, if any, should such information be given, regard being had for the necessity of securing to Parliament and the public all facts requisite for the determination of policy (including finance), and to the Board of Directors the best possible conditions for efficiency of management.

(3) What system of auditing should be adopted, and what extent of detail should be given in the Annual Report.

(4) What if any improvement could be made in the general scheme of management.

(5) Whether and for what purposes the said committee should be continued, and that for the above purposes and for such other purposes as the com-

mittee deem in the public interest there be referred to said committee the Annual Report of the Board of Directors and that the said committee have power to examine witnesses under oath, to send for papers, persons, and records and to report from time to time.

Honourable gentlemen will see that the Prime Minister stated expressly that he was not in a position to define the powers of investigation with which Parliament should vest a Committee of Inquiry. He gave his reasons at length on more than one occasion for the doubt which was in his mind and the reason for the close examination of the whole subject by a Committee. With him was the responsibility.

The then leader of the Opposition, who is now the Prime Minister of Canada, did not see eye to eye with the right honourable gentleman, and moved an amendment which contained in effect the wish which is contained in the motion of my honourable friend from Simcoe. It was:

That such committee shall have power to inquire into all matters in any way relating to the railways owned or controlled by the Government of Canada whether under the direction of the Department of Railways and Canals or under any corporation in which the Government are stock holders, whether relating to the construction or operation, from the date of the appointment by the Government of the Board of Directors of the Canadian Northern Railway Company down to the present time; and similarly to inquire into all matters in any way connected with the Canadian Government Merchant Marine, either in respect of the construction or operation of ships, and that such committee shall have power to send for papers, persons, and records, to engage counsel and transportation experts, and to make such reports and recommendations from time to time as in their judgment will be calculated to promote the public interest.

I say that this amendment of the then leader of the Opposition contained practically the principle which is the basis of the motion of my honourable friend, because my honourable friend asks that this Committee shall inquire generally into all questions, matters and things which the Committee may deem it necessary to inquire into. There is no limitation to such an investigation.

There was one point, however, upon which the two leaders in the other Chamber agreed. The Prime Minister, at page 1757 of the House of Commons Debates of 1921, said:

I need not suggest to the House that it would be wholly improper to commit to a Committee the duty of examining into the efficiency of an official. If we adopt that course we may give up hope of ever getting officials who will be big enough or able enough to manage a system of anything like the magnitude of the Canadian National railways. The responsibility for the appointment of the directorate must rest with the Government and the Government alone, and we must not expose officials of the road acting under the directors to review without specific cause by any other body. If we do, we may abandon hope of ever having either officials or directors fit for their duties.

I need scarcely add that the task of managing a system of this magnitude, surrounded by the difficulties that inevitably surround government management, is in itself none too inviting. It is easy for honourable members to believe that the task of securing just the man you may want in each post is easier than it really is. Therefore I say to the House in all seriousness, having had some acquaintance with the problem for many years, that we must take care to be fair to those who are entrusted with this great duty. We must take care that they are placed in a position that will enable them to perform their task to the best of their ability. We must take care that we do not prejudice the interests of the country by pursuing a course in this House, or in a Committee of this House, that does injustice either to the system or to the management.

And here you have the statement of the leader of the Opposition, which will be found at page 1759:

We contend it is the duty of the Government to bring down anything that is asked for by honourable Members of Parliament, or to take the responsibility for not so doing. The Government are not obliged to bring down information if they do not wish so to do, but they have to take the responsibility for refusing to bring down information.

There, honourable gentlemen, on the threshold of this discussion it is found that the leader of the Opposition recognizes a power and a responsibility vested in the Government. The Government, before the people and for the people, represents the majority shareholders; the Opposition for the time being represent the minority shareholders. The majority shareholders, through the Government, have the responsibility and the right to say to what extent they will bring down information. In other words, the leader of the Opposition said: "It is my right to ask, but it is the Government's right to refuse upon its own responsibility."

Now, here we have this question of a general investigation—for just now I limit my remarks to that feature of the motion in any event—a question which has been discussed in more than one sitting of the House of Commons. The conclusion arrived at was that the question of the extent of such investigation should be examined closely by a committee.

I have given some thought to the relations which should exist between the people's representatives and the state-owned railway Management. I said last Session, I think, or the preceding one, that some system should be devised by which Parliament could be fairly informed, sufficiently informed, satisfactorily informed. If my memory does not fail me, I cited a number of parliamentary committees in France which have a right to summon a Minister and inquire with closed doors into the most important matters of government. I instanced the Foreign Affairs Committee, whose Minister is obliged to answer the call of that Committee and lay all his cards be-

fore it. That Committee is formed of representatives of all the groups in the House of Assembly. The examination of that Minister, behind closed doors, is made by the best elements of the people's representatives. The same method applies to other departments. This brings first-hand information to the House of Assembly. I do not know to what extent the Senate of France carries on its investigations.

Now, my view—and it is a personal one—is that some organ will have to be devised for bringing to the public the assurance that this people's railway is not being governed by an autocracy free from parliamentary control. I suggest a committee appointed by the representatives of the people, of whom at present there are three main groups, with six delegates from each of those groups, to sit on the Railway and Shipping Committee, before whom the officials of the Canadian National Railways and those of the Merchant Marine would annually appear and be questioned on their annual statements, or upon the actions of their various departments. This would be behind closed doors, just as in the case of the board of management of a private corporation. If it appeared to some member of that committee that there was something wrong that should be denounced to the public, his right would still exist either to ask that the doors of the committee be opened to the public or to raise the question in the House and bring the matter to the attention of the public. There would be this considerable advantage in the suggestion which I make, that no man with a sense of his responsibility would rise in the House of Commons and make a denunciation before he had ascertained the facts. He would thoroughly know all the conditions before he would acquaint the public and Parliament with the matter of his grievance. He would come to Parliament from that committee if he felt that it was his duty to bring the matter before that public body after inquiry.

If there is no such organ of expression, we may have denunciation before inquiry, such as my honourable friend from New Westminster (Hon. Mr. Taylor) has made, and as my honourable friend from Simcoe (Hon. Mr. Bennett) has made, with untold damage to the system if the denunciations are baseless. What are we witnessing to-day? Here is a property worth two billions of dollars, thrown into the arena for anybody to kick. It seems to me that this is a costly foot-ball for the party game.

Hon. Mr. TAYLOR: Would my honourable friend permit me? He says I am denouncing without inquiry. Will he be good enough to add, for the record, that for 15 months I was imploring the Directorate of that railway for an inquiry?

Hon. Mr. DANDURAND: I will come to that point, and I think I will answer my honourable friend, if not to his own satisfaction, at least to that of very many members in this Chamber. The honourable gentleman from Simcoe made clear his mind and aim. He is unconcerned as to the results.

Hon. Mr. BENNETT: I would ask the honourable gentleman to withdraw that statement. I am not unconcerned at all about the results. I am concerned about one result—that, for the good of Canada, the good of decent, honest government, the truth be inquired into.

Hon. Mr. DANDURAND: My honourable friend again speaks of true and good government. He fails to make the distinction between the Canadian National Railways Management, which has been given a free hand, and the present Government. It is that which is in his mind.

Hon. Mr BENNETT: Then, let me add the words, "and good honest administration of the National Railways and the National Merchant Marine."

Hon. Mr. DANDURAND: If my honourable friend has had a single eye to that end I would have no objection to take, except as to the mode by which my honourable friend tried to effect his aim.

Hon. Sir JAMES LOUGHEED: What would you suggest?

Hon. Mr. DANDURAND: I will come to that if my honourable friend will bear with me in patience. I have just suggested a mode for an inquiry into all the facts before accusations are brought before Parliament.

Hon. Sir JAMES LOUGHEED: But we have not got such a tribunal.

Hon. Mr. DANDURAND: We have not; but the Right Honourable Mr. Meighen, who was Prime Minister, suggested a Committee. My honourable friend said it was in the last days of the Session. He erred: It was in the beginning of April, 1921. It was voted upon, and he did not move for that Committee; but I believe that the time has amply come when that Committee of Investigation should be formed, and I throw out the idea for what it is worth. Are not denunciations such as those we have heard, very apt to cause depression, discouragement, a lowering of the morale of the whole staff of the Canadian National Railways?

Hon. Mr. BENNETT: No, no.

Hon. Mr. DANDURAND: And have they not the effect of creating an unhealthy atmosphere? We are all supposed and expected to be working with enthusiasm for the welfare of the system; but my honourable friend from New Westminster came here and made his denunciation. The headlines of the papers, yellow and others, carried these denunciations on the "Rascalities of the Canadian National Railways." After my honourable friend from Simcoe had made his denunciation last week we had in the newspapers large headings extending over two columns, such as, "National Railways Reeking in Graft." And yet, honourable gentlemen, this is our own property. We all recognize that with two billions of dollars invested in that Company the fortunes of this country are linked with that formidable asset, or rather liability, which we have. If the Management fails, are there not many people in this country who will think that the country will fail? I ask, would the Canadian Pacific Railway shareholders thus attack their property? Let us see what a C.P.R. shareholder would do—and I mention this because my honourable friend who leads the Conservative party (Hon. Sir James Lougheed) gave that railway as his standard last Friday when he said, discussing the Canadian National Railway branches which were under review:

> We should adopt a standard, in considering these Bills, that would be adopted by any private railway system. If the Canadian Pacific Railway would not enter upon the building of these railways should they be tributary to their own line, the Government of Canada should not enter upon the undertaking.

This is a standard which I accept. Now, let us analyze the motion which my honourable friend has put on the Order Paper. I have indicated that it was sweeping in its character, it was general, it covered any matter which the Committee deemed it necessary to inquire into.

Hon. Mr. BENNETT: Look at clause g; please read that clause.

Hon. Mr. DANDURAND: Yes, except the administration for the current year. Now let us look at the specific matters which are in that motion. The charges of my honourable friend from New Westminster (Hon. Mr. Taylor) are under two heads: they cover the Merchant Marine and the Canadian National Railways. My honourable friend has denounced certain wrongdoings and has drawn the attention of the administrators of the Canadian National Railways to those wrongdoings.

Hon. Mr. BENNETT: And they are still continuing.

Hon. Mr. DANDURAND: The President took up those accusations, and started to have them investigated through his regular channels, his officials. My honourable friend from New Westminister felt that the reports which he received were unsatisfactory. I want first to draw the attention of my honourable friend to the fact that the President must rely upon his assistants until they are found unworthy. Now, my honourable friend from New Westminster, through his insistence, obtained a letter from the President, which he read, in which the President practically said: "I am tired of hearing these recriminations and accusations coming from the Pacific coast. I will send the regional counsel of the Company, Mr. R. H. M. Temple, from Winnipeg to investigate." That investigation —I am taking these facts and figures from the speech of my honourable friend—began on the 27th of March. Mr. Temple was assisted by Mr. E. F. Haffner, of the firm of Munson, Allan, Laird, Davis, Haffner and Hobkirk. I know none of these gentlemen, but I suppose these are the names of a firm of high standing in Winnipeg.

My honourable friend from New Westminster states that he appeared before Mr. Temple and had a long conversation with him and gave him a brief under each heading of the inquiry, also statutory declarations establishing the evidence under each of the points to be proved. He adds that he has given Mr. Temple all the assistance in his power, and all the information he could gather up for him.

This covers the accusations, of which he assumed the responsibility, against the administration of the Merchant Marine. What surprises me is that my honourable friend, who declares that he has nothing to say in reproach of the Commissioner, after having done that, comes to this House and starts to disclose all of his accusations, when he knows that Mr. Temple is investigating and is about to make his report. This is what passes my comprehension, when Mr. Temple has not yet reported. He is back in Winnipeg, and is preparing his report; yet my honourable friend, without indicating a desire to take any special conclusion—because he does not ask for a Committee of Inquiry—comes out and says all this in connection with this matter. I say it is injudicious, and I add that it is unfair.

Hon. Mr. TAYLOR: Will the honourable gentleman permit me? Mr. Temple had closed his investigation and left Vancouver before I spoke.

Hon. Mr. DANDURAND: All the better. If Mr. Temple had left Vancouver, why could not my honourable friend wait for that report?

Hon. Mr. TAYLOR: Why have you not got it to-day?

Hon. Mr. PARDEE: It is on the way.

Hon. Mr. DANDURAND: But my honourable friend made his denunciation two weeks ago.

Hon. Mr. ROBERTSON: If I may be pardoned for intervening, as I recollect the statement made by the honourable member for New Westminster in his original speech, his complaint seemed to be that the investigator, in the person of Mr. Temple, had failed to call the witnesses by whom the charges might have been proven.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. ROBERTSON: And it seemed to the honourable gentleman from New Westminster that the investigation could not be expected to result in anything on the lines of his inquiry, and therefore it was necessary to seek some other course.

Hon. Mr. DANDURAND: No. The honourable gentleman from New Westminster has not said that Mr. Temple had refused to pursue his inquiry in the directions which he had given him, nor that he had refused to hear certain witnesses.

Hon. Mr. TAYLOR: I have not only said Mr. Temple neglected to call material witnesses, but I had written that objection to Mr. Temple before he closed his investigation, and I have his answer admitting the fact.

Hon. Mr. CASGRAIN: Did he refuse to hear any witnesses that you produced?

Hon. Mr. TAYLOR: No. I did not produce the witnesses.

Hon. Mr. CASGRAIN: You should.

Hon. Mr. TAYLOR: I was at Ottawa. The counsel was instructed to investigate a month before I came to Ottawa, and deferred the commencement of his examination until the very day I left for Ottawa, and when I returned after a month he refused to discuss with me what he had been doing in the intervening month, or to give me any inkling as to what the results were.

Hon. Mr. DANDURAND: But my honourable friend laid before the Commissioner all the information he had.

Hon. Mr. TAYLOR: Certainly, and the Commissioner, in return for my assistance to him, refused to have any further communication with me regarding the results of his inquiry.

Hon. Mr. DANDURAND: But my honourable friend will see what is the result of his inquiry when the report is made.

Hon. Sir JAMES LOUGHEED: If ever made.

Hon. Mr. TAYLOR: I think I see it now.

Hon. Mr. MURPHY: It is not here yet.

Hon. Mr. DANDURAND: I do not understand how my honourable friend would see it now, unless he would try to prejudice this Chamber against the report of Mr. Temple. I do not know Mr. Temple, but if he is a respectable and honourable counsel I think he would resent being charged with not doing his duty. It will be upon his work that we shall judge him.

Hon. Mr. PLANTA: Does the honourable gentleman know whether the inquiry was made under oath or not.

Hon. Mr. DANDURAND: I may as well treat this question now. Sir Henry Thornton informed the honourable gentleman from New Westminster (Hon. Mr. Taylor) of the inquiry, of the form it would take, and of the advertisement which would appear in the papers. He stated that notification would be given in the press for any accuser to appear before the Commissioner at a certain date. I take it for granted that that was done.

Hon. Mr. TAYLOR: No, it was not done.

Hon. Mr. DANDURAND: I am informed that it was done.

Hon. Mr. TAYLOR: Well, it was not done. I declare positively that there was no advertisement.

Hon. Mr. DANDURAND: At all events, even if it was not done, we are sure that Mr. Temple had in his possession all the information from my honourable friend, who had laid before him his whole brief, with the solemn declarations and other data; so Mr. Temple was aware of all the accusations.

Hon. Mr. DAVID: Can the honourable member tell me on what subjects Mr. Temple made his inquiry and report? Was it on all the subjects mentioned in the motion?

Hon. Mr. DANDURAND: He is supposed to have inquired into all the charges which the honourable gentleman from New Westminster was aware of. The honourable gentleman declares clearly that he unbosomed himself completely to the Commissioner and did his best; therefore the Commissioner should have been perfectly well informed.

Now I am asked, was that inquiry made under oath? I have had from the Department the statement that it was not, and I have since had the affirmation that we shall find that it was. I care not.

Hon. Mr. TAYLOR: I can tell the honourable gentleman it was not under oath.

Hon. Mr. DANDURAND: Then, if it was not under oath, my honourable friend was satisfied that it should not be.

Hon. Mr. TAYLOR: No, no. I was promised that it would be under oath.

Hon. Mr. DANDURAND: My honourable friend never said that, and I see nothing of it in the record.

Hon. Mr. TAYLOR: Yes—if the honourable gentleman will permit me. I hate interrupting him, but I do not want to be misrepresented. A letter which I read to this Chamber when we last had the subject up stated that the cause of the delay for three months was to get authority to take evidence under oath. There was twelve months' more delay, and then the evidence was not taken under oath.

Hon. Sir JAMES LOUGHEED: Mr. Temple is simply a private citizen; he could not make an inquiry under oath.

Hon. Mr. DANDURAND: That is my impression, except that we might find in the Railway Act some power vested in a Commissioner to inquire under oath.

Hon. Sir JAMES LOUGHEED: I know of no authority by which a railway official can take evidence under oath.

Hon. Mr. DANDURAND: Neither do I. But what I want to say is this. If at the outset, when Mr. Temple was appointed, my honourable friend had risen in this Chamber, had crossed the floor and spoken to me, or had written to the President, asking that a Royal Commission issue, I have it from the President of the Company, he would have had the Commissioner clothed with proper authority. I may say that after listening to my honourable friend's speech I felt that the weak spot in the inquiry might be the very fact that Mr. Temple was not vested with the powers of a Royal Commissioner; and, lacking the information that Mr. Temple was coming back, or at least had left Vancouver —a fact which my honourable friend seemed to know at the time, but which he did not impart to this Chamber—I felt it to be my duty to draw the attention of the President of the Railway Company to the remarks of the honourable gentleman. I told the President that if he requested the Government to issue to Mr. Temple a Royal Commission confering upon him the power to call witnesses and swear them, it would be issued; and Sir Henry Thornton did ask that such power be granted to Mr. Temple. He apparently did not know that Mr. Temple had left Vancouver. I saw the Minister of Railways, who said: "I had a request for a Royal Commission to issue to Mr. Temple and drafted an Order in Council, but I found that Mr. Temple was on his way back to Winnipeg."

I may say this to my honourable friend, that I do not believe that under the circumstances, when a Commissioner has taken over 2,000 pages of evidence, this Chamber or the other will think of bringing witnesses across the continent to examine them as to these charges, before the Temple report is presented. I may inform my honourable friend further, so little do I believe that this Chamber would start an investigation into matters concerning the Vancouver administration, that if the report of Mr. Temple is deemed insufficient a Royal Commission will issue. I have the authority of Sir Henry Thornton to make the assertion that he will ask for it, and I am authorized to say that the request will be granted. Therefore if the investigation made by Mr. Temple, covering over 2,000 pages, is found to be unsatisfactory, instead of disorganizing the whole system in Vancouver by hailing the officials across the continent, we shall have a Royal Commission which will have the necessary authority, and I trust it will have the respect of my honourable friend. If he does not like to have the Commissioner chosen from among his own people in British Columbia, we may get him elsewhere, and we shall have this matter sifted to the bottom.

I have said that my honourable friend had two sets of charges. One bears on matters which he had investigated and upon which he could give his own personal assurance that the charges were, at all events, worth investigating. He has asserted that they are true. The honourable gentleman has brought another set of charges, for which he does not take the responsibility. He says that the day before he rose in this Chamber a member of the House of Commons handed him a file regarding an inquiry that had been carried on by an employee of the Canadian National Railways, at the request of one of his chiefs, into certain charges made by some parties at Vancouver. The honourable gentleman read profusely from that file, though he did not take the responsibility for it. That file, unsigned, but which he thought was a true copy of an official file, he launched before this Chamber and before the public.

Why this denunciation in Parliament—this double denunciation? The first related to charges that are being investigated by a man of good standing in his community, who has risen to the post of Regional Counsel in the Canadian National Railway System. I am not acquainted with him, but honourable members from Manitoba do know him. His good faith, his honesty, and his honour are impliedly impugned by the fact that when he has completed the inquiry he is not allowed

to finish his work, and all these denunciations appear before the public. Here are statements contained in a file comprising a report made by a man who is said to have been dismissed. Did my honourable friend stop for one moment to realize that he was perhaps doing harm to some men who were thus accused in an ex parte report?

Hon. Mr. TAYLOR: Does the honourable gentleman dispute the file?

Hon. Mr. DANDURAND: I do not dispute the file, but I say that file contained ex parte statements, and my honourable friend took advantage of these ex parte statements, as to which the parties accused had no chance to defend themselves; he threw out to the world the accusations which were contained in that file.

Hon. Mr. TAYLOR: Sir Henry Thornton had that file for nine months, and the parties accused had had an opportunity to defend themselves.

Hon. Mr. DANDURAND: Besides, my honourable friend admitted here in this Chamber that Mr. Temple had that file in hand. Consequently Sir Henry Thornton was not guilty of negligence: he had handed that file to the Commissioner, Mr. Temple, to investigate at the same time the charges contained in it. I have that from the lips of my honourable friend, for he said: "I did not know of this thing, but now I recollect that Mr. Temple said to me, 'I am now engaged on the accusations in the Watson report.'" That is what I find in the speech of my honourable friend.

Now, what justification is there for a Member of Parliament, whether he sits in the Commons or in this Chamber, to disseminate such charges when an invetigator is proceeding to inquire into them? I say my honourable friend did wrong in undertaking to play that role—did wrong in raising the question in this House before Mr. Temple has brought in his report. I knew nothing about those parties. The honourable gentleman knows very well that I am at his service, because I happen to be a Minister of the Crown, and if he had given me any inkling of anything that was disagreeable, unjust or unfair, I would have tried to remedy it. If he had informed me at the outset that Mr. Temple was unsatisfactory, or should be vested with the powers of a Royal Commission, he would have got it at the inception of this investigation, as he will get it to-morrow.

Hon. Sir JAMES LOUGHEED: Will my honourable friend be good enough to say what he means by, "will get it to-morrow."

Hon. Mr. DANDURAND: He will get a Royal Commission—

Hon. Sir JAMES LOUGHEED: Who?

Hon. Mr. DANDURAND: My honourable friend from New Westminster, if that investigation by Mr. Temple is deemed to be insufficient. Can anyone conceive of a C.P.R. shareholder acting thus towards his company? I put the question.

Hon. Mr. TAYLOR: Can anyone conceive of a C.P.R. director acting thus towards his shareholders?

Hon. Mr. DANDURAND: My honourable friend is just now coming to a very important question, which follows the present one. If a shareholder of the C.P.R. felt that he had discovered some situation that should be remedied, I say that his only course would be similar to that which my honourable friend pursued at the beginning—to expose the facts to his Board, and the Canadian Pacific Railway Board would have seen to it that an investigation was conducted through the ordinary channels, just as did President Thornton of the Canadian National Railways. Would that C.P.R. director or shareholder climb upon the housetops and denounce his company as a nest of thieves, before the report was made for which he himself had asked? If the C.P.R. shareholder were turned down by his Board and he could not hope at the next annual meeting to turn that Board out of office, he would have but one other course, namely, to appeal to the courts. He could not come before this Chamber or the other and exact his pound of flesh by bandying the charges which were being investigated.

My honourable friend from New Westminster (Hon. Mr. Taylor)) said—and he repeated the assertion a moment ago—that it was somewhat unsatisfactory that no power had been given to Mr. Temple to compel the attendance of witnesses or to swear them. I have answered that. Mr. Temple could have been given such powers if they had been asked for.

That covers one matter upon which my honourable friend from New Westminster dilated, and which is at present in the hands of Mr. Temple, who has been assisted by an attorney, and we are awaiting the report. Yet we have had the exposé by my honourable friend, who was asking for some return regarding a boat. I have tried with all the power of my imagination to find the real reason why my honourable friend rose at this particular time, before the report is submitted

to the Canadian National Railways and produced in this House. I have yet to learn why my honourable friend acted as he did.

Hon. Mr. TAYLOR: Did you ask your honourable friend for his reason?

Hon. Mr. DANDURAND: I see only the fact. There has been a Commissioner investigating, and he is preparing his report. My honourable friend has handed over to him all his data, and before that Commissioner has written out his report we have this denunciation. I say it is not fair either to the men who are accused before the investigator, or to the investigator himself.

There is another item in the motion under review, asking that inquiry be made into:

> The deposits by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

My answer is that the Government has appointed a Royal Commission to inquire into all the facts connected with the Home Bank, and into that fact as well; that Major Graham Bell, Deputy Minister of Railways, who was on the Board of the Canadian National Railways, has been heard before that Commission, as has also the General Treasurer of the Company; that the facts have been disclosed so far in such a way as to give a complete and fair understanding of the reasons which actuated the management—Sir Henry Thornton, if you will, and Major Bell—in making that deposit. Sir Henry Thornton stated that he had been asked to give financial patronage to that Bank, as he was giving it to others, and that he asked Major Bell to look into the matter to see if the proposal was satisfactory and there was any objection to carrying it out. Major Bell did so, and decided to open a credit or make a deposit in the Bank. No one suspected in May that the Home Bank was in the condition in which later it was found to be, and the deposit was made. We must be gratified to know that it was withdrawn a few days afterwards. Major Bell tells why he withdrew it. Sir Henry Thornton states he did not even know that it had been made or withdrawn. He was expecting a report from Major Bell and thought that that had not been done, because he had not had any report. Major Bell had made no report to him because the amount deposited was withdrawn.

Hon. Mr. BENNETT: May I ask the honourable gentleman where the proofs of these statements of the Presidents are? Does he read from some document or statement from the President to that effect?

Hon. Mr. DANDURAND: I thought that these facts appeared in the letters from Sir Henry Thornton.

Hon. Mr. BENNETT. What letters? There is no letter of Sir Henry Thornton's before the Commission at all.

Hon. Mr. DANDURAND: Did not my honourable friend read one himself?

Hon. Mr. BENNETT: I read in the newspaper a statement which contradicts Major Graham Bell.

Hon. Mr. DANDURAND: I may say that, if I have not read it either in the press or in the evidence adduced before the Royal Commissioner, I have had it from Major Graham Bell himself. But we have the facts. We have the fact that a million was deposited and that a few days afterwards it was withdrawn, and the reason has been given by the person who ordered the withdrawal, Major Graham Bell. He takes the responsibility, I wonder, then, why we should institute a second inquiry, when one is already in progress.

Hon. Mr. BENNETT: Will my honourable friend allow me? If he will read carefully what I said he will see that my main complaint was that all the witnesses were not examined; that in the printed evidence mention is made of Mr. Ruel and another gentleman named Ross, who have the most important evidence to give. Why were they not called? Here is a shareholder in the Canadian National Railways who knows of a fact which is extremely interesting to the shareholders—that is, the people of Canada—namely, that a million dollars has been deposited in one of the banks—it happens to be the Home Bank—and is withdrawn a few days afterwards. My honourable friend lays stress on the fact that the money was not imperilled, but that it was withdrawn, deceiving the people of Canada. That was the principal point he made.

Hon. Mr. BENNETT: And primarily that the holders of stock, and others interested in the Home Bank, were misled as to the actual position of the Bank at the end of the month. The honourable gentleman cannot evade that. It is a moral point; not a question of whether the money was returned.

Hon. Mr. DANDURAND: As to the moral point, I have found disclosed this strange, exceptional, condemnable practice, which prevails in some of the smaller institutions, of keeping an eye on the total deposits at the end of the month, and of making an effort to have those large deposits withdrawn, not

on the last day of the month, but on the first, so that the deposits will be large at the end of the month. This practice, which prevails, apparently, in some of the smaller institutions, I hope is the exception. But I think my honourable friend has read that the Provincial Secretary of the Government of Ontario in years past admitted before a Committee of the Legislature at Toronto that he had done the same thing, and had helped the Home Bank by making deposits at the end of the month.

Hon. Mr. BENNETT: I challenge the honourable gentleman to produce one scrap of a statement made by Mr. McGarry that will in any way, shape, colour, or form bear out the statement my honourable friend has made, that at the end of the month Mr. McGarry would deposit money with the Home Bank to tide it over and help it out. The statement made by Mr. McGarry was that when he was Treasurer application was made to him to give the Home Bank a share of the Province's deposits; and he made no bones about it. He said in his sworn evidence that there were directors on the Board who were Roman Catholics and who were well known to him. He said:

> I knew it was a Roman Catholic institution, and I have nothing to regret when I say I gave them a chance with the other banks.

But as to the real point, I challenge the honourable gentleman to verify by a single word the statement that Mr. McGarry said that he gave them money to tide them over at the end of the month.

Hon. Mr. DANDURAND: I take the honourable gentleman's statement for it. The statement was made to me—I did not read it—and I was informed that that practice prevailed in some quarters.

Hon. Sir JAMES LOUGHEED: Perhaps it is the Honourable Mr. Smith the honourable gentleman is thinking about.

Right Hon. Sir GEORGE E. FOSTER: A confusion in the names, that is all.

Hon. Mr. DANDURAND: We have got the main facts bearing on the fortunes of the Canadian National railways.

Hon. Mr. BENNETT: Before the honourable gentleman leaves that, will he please explain this, which is in the sworn evidence—

Hon. Mr. CASGRAIN: In the sworn evidence?

Hon. Mr. BENNETT: Yes, in this inquiry before Judge McEwen:

> Mr. Yates, General Treasurer of the Canadian National railways, advised the writer this morning that he is giving us not later than Tuesday a deposit of $1,000,000 which will be drawn out again on the 2nd of June, and we would ask you not to draw anything against same. Mr. Gough, our Vice-President, arranged with Mr. Yates for this deposit.

Can the honourable gentleman explain why that was left in there as a solid mass?

Hon. Mr. DANDURAND: By whom is that signed?

Hon. Mr. BENNETT: Mr. Yates acted with the Bank with only one object—to deceive the public.

Hon. Mr. DANDURAND: There is no question that the deposit was made, and that it was withdrawn.

Hon. Mr. BENNETT: And that the public was deceived.

Hon. Mr. DANDURAND: The public was not deceived to any extent at the end of May. The institution closed its doors in August, I believe.

We have got the facts, and I do not believe that the public takes sufficient interest in the deposits to know whether there are a few hundred thousand dollars more or less in any bank at the end of the month. I think if we look at the movement of the deposits in the fourteen chartered banks from month to month, we will see that there is sometimes quite a movement of funds, but that it never merits the public interest unless it is very much accentuated.

Hon. Mr. GORDON: As I read them, there is a conflict between the statements of Sir Henry Thornton and Mr. Graham Bell. Mr. Bell in his evidence gives us to understand that when this deposit was made a time was arranged when it should be withdrawn. Sir Henry Thornton in his letter states that he advised the withdrawal of this deposit after he ascertained that Mr. Gough was the Vice-President of the Home Bank. I have yet to understand why it would be necessary to make the withdrawal because Mr. Gough was interested in the Bank.

Hon. Mr. DANDURAND: Of course, I cannot go into these details, because there is a Royal Commission which can investigate these details. But even if we had these details and sifted them, does my honourable friend think it would be conducive to the advantage of the Canadian National Railways for us to go into a minute examination of the statements made concerning this deposit? We have got the main facts. We have a Royal Commission that can continue its labours and examine these parties if it judges it useful so to do; but for the purpose of the administration of the Canadian National Railways, I

wonder what would be gained by appointing a Committee of the Senate purely and simply to duplicate the work of the Royal Commission.

Hon. Mr. BENNETT: The honourable gentleman must recollect that if a Committee of this House is appointed it is going to have before it, not these witnesses, but those gentlemen who made the deal. Mr. Ruel was in the arrangement; Mr. Bell swears he knew all about it. Mr. Ross, by writing that letter, proves he knew about it too. They were not before the Royal Commission at all.

Hon. Mr. DANDURAND: Has my honourable friend in mind asking that those gentlemen—Major Bell, Mr. Ruel, and Sir Henry Thornton—be dismissed from the service of the Canadian National Railways? If he has not, what good purpose will be served by bringing those gentlemen before a Senate Committee of Inquiry when there is already a Royal Commission which can investigate the facts?

Hon. Mr. BENNETT: The public are interested in having the whole truth of it.

Hon. Mr. DANDURAND: Yes, there is a morbid desire on the part of a portion of the public to belittle and besmirch men.

Hon. Mr. BENNETT: The honourable gentleman showed himself to be a past master in the art in this House when he attacked the late Postmaster General.

Hon. Mr. DANDURAND: I never attacked the late Postmaster General.

Hon. Mr. BENNETT: Or if the honourable gentleman wishes to apply that to me—

Hon. Mr. DANDURAND: I do not. The honourable gentleman spoke of the people, and I said there are many people who have a morbid desire to find the weaknesses of men rather than their strong points, and who judge of the administration of the Canadian National Railways by the petty errors or the big errors rather than by the general results.

I draw my honourable friend's attention to the fact that I am simply discussing a motion to investigate the Canadian National Railways and the Merchant Marine, and am examining into the opportuneness of granting what is asked for in the motion. I have no brief for the Canadian National Railway. I have asked them for some information; but my sole interest is a joint interest with my honourable friend. This is our common property, and that is all the interest I have; because, suppose he establishes that Mr. Ross or Mr. Yates or Major Bell has done something deserving of reproach, it does not touch the Government nor does it touch me personally.

My honourable friend has mentioned a series of matters to be inquired into—the purchase of the Paris property called the Scribe Hotel, and the employment of one Aronovici by the President of the Canadian National Railways. I draw the attention of my honourable friend to the fact that this Government solemnly promised Parliament and the country not to interfere in the management of the Canadian National Railways, but to give a free hand to Sir Henry Thornton. When Sir Henry Thornton was engaged, the Prime Minister stated under what conditions his services has been retained, and under what circumstances and conditions they had been given. Sir Henry Thornton, his Executive and his Board, were to have a free hand in the administration of the railways. I am free to say that if the Government had been consulted as to the question of the Board of the Canadian National Railways opening an agency in Paris, I for one on principle would have answered in the affirmative; but if the Government had been consulted as to the proposal to purchase the Scribe Hotel property, my answer—and I believe my view would have been shared by the Cabinet—would have been in the negative. That does not mean that on its merits the proposition may not be an orthodox and sound one; but we would have rejected the proposal because of the then existing financial condition of the country. The purchase may be a good business proposition, either as a matter of policy or in the price paid—time only will tell.

I have in my hands the documents which explain the inception of this purchase, and the position of the Canadian National Railways. First, there is a letter of February 3rd, 1923, addressed to the Canadian High Commissioner at Paris, the Hon. Philippe Roy, and signed by Sir Henry Thornton:

Dear Mr. Roy:

It is with pleasure that I venture to recall to you our previous acquaintance, when I was connected with the British Army in Paris; and, as you doubtless know, I am now engaged in an effort to administer the Canadian National Railway System. I had hoped to have an opportunity of seeing you in Paris before I left England to take up my duties here, but unfortunately I was so busy, and the pressure on me to come to Canada as quickly as possible was so severe, that I was unable to do so.

I am anxious to provide the Canadian National Railways with adequate office accommodation and a proper representation in Paris, apart from purely traffic matters. We are already well represented there from that point of view. I want a well-located office where our literature, time-tables, and, in general, the allure-

ments of Canada, can be exposed to the public. I do not know quite how you are situated with respect to office accommodation; but it occurred to me that perhaps there might be an opportunity for co-operation between the Government and ourselves to our mutual advantage. I would suggest the acquisition of a suitable building, properly located, and preferably on the Boulevard des Capucines, somewhere not far from the intersection of the boulevard with the Rue Edouard VII. The ground floor could be occupied by the railway company with exhibits and literature of various sorts, in charge of a competent staff; and the upper floors, which no doubt would be more suitable to your requirements, could be used as offices for the High Commissioner. I think the offices should be of a dignified character, and thoroughly in keeping with the importance of the post you occupy, and the national railway system.

If this idea should commend itself to you, I should be very happy to collaborate with you here with a view to bringing the suggested plan about. I have asked Mr. William Phillips, European Manager of the Canadian National Railways, to see you upon his return to Europe, as he is here on a business trip. Meanwhile, I would appreciate any comments you may care to send me upon the subject.

With kind regards and best wishes,
Believe me,
Yours sincerely,
H. W. Thornton.

On February 23rd, Sir Henry Thornton received this cablegram from Mr. Roy:

Letter received. Entirely in accord with you. Am writing.

Then we have the letter of Hon. Mr. Roy, dated the 9th of March, 1923:

My Dear Sir Henry:

I remember you quite well, and I was delighted to hear of your appointment ac Chairman of the Board of Directors and President of the Canadian National Railways. You have a different problem to solve and we are all looking to you with confidence to save the situation.

What you are advocating to-day for Canadian offices in Paris I have recommended to our Government for several years. My idea has been always that the Canadian Government should own a building on the "Grands Boulevards," one of the best corners if possible. In the "sous-sol" of that building, I would fit up a cinema for commercial and tourist propaganda. The street floor could be reserved for a permanent exhibition of Canadian products, and suitable offices for immigration and railway department.

The Canadian High Commissioner and the Trade Commissioner offices would be on the first floor and the space left could be rented for revenue.

This arrangement to be effective should be done on a large scale; I mean that we should buy one of the best corners on the Boulevard des Capucines and arrange it so that the public would be attracted by our display.

There is a corner to be sold at this moment which would be an ideal one. It will be expensive, no doubt, but there is none better in Paris. You will remember the "Grand Cafe" with the "Jockey Club" and the Hotel Scribe upstairs. The whole building is announced for sale. It would be too large for our requirements, but a part of it could be easily rented and bring in a very large revenue.

The amount to be paid for that property may discourage the Minister of Finance and frighten Parliament. I know that the Canadian Government is prepared to spend a very large sum of money to acquire a property in London for Canadian offices. I would like to see our people do the same thing in Paris.

At all events, if you are counting on tourists from Europe to develop your national railway business in Canada, you must have a first-class agent and attracting office in Paris. This city is the centre of Europe, and as soon as the franc has recovered something like its normal value, you could, with proper propaganda, draw French capital and French energy to Canada. Our men during the war, by their gallantry and personal behaviour to the French people, have won fame for Canada and touched the heart of the French nation. The people here are anxious to deal with us, and come into closer contact with our country as soon as the circumstances will permit. France is busy at this moment cleaning house, and repairing damages. Believe me, she is doing this work as well as she has done the other; although she is doing it practically alone. Germany will be down on her knees shortly and will have to repair damage. Then peace will be re-established in the world, and prosperity will gradually come back to industries and peaceful nations: France is one of these.

I would like to see Canada make an immense bid for French business. The South American countries are all doing it. By our territory, population, and certainly by our resources, we are just as entitled as they are to international attention.

As I said before, as soon as conditions are better, and peace and security granted to France, it would be the easiest thing to get the French people to interest themselves to Canada. Large French parties would be arranged to visit our country and practical results obtained thereof.

Mr. Aronovici tells me that you have asked him to take charge of your office in Paris. I know that he is a man of large experience and unbounded activity.

No one, my dear Sir Henry, is wishing you more success than I do, and I feel confident you will succeed.

Circumstances and probably war conditions have forced Canada to make the experiment of "states ownership" which has proved to be a difficult business to handle in all countries. If, through your ability and energy, you can show to the world that such a state enterprise can be made successful, then we would pass a resolution in Parliament to declare that. "Vous avez bien mérité da la Patrie"!

I hope to go to Canada during the summer when I will probably visit the west. I have still some interest in this part of the country.

The latter part is somewhat personal:

You probably don't know that Edmonton has been my home during fifteen years and that five out of my six children were born in Alberta. So I know the western provinces as well as I know the province of Quebec.

Mr. Aronovici will give you all the European news. I apologize for this long letter, and more so for my English, which is a poor specimen of your beautiful language.

I would be pleased to hear from you from time to time, but I know that you will be too busy to write. Aronovici will tell me all about you and your projects. Some day soon I will pay you a visit myself.

With kind regards,
Your sincerely,
(Signed) Philippe Roy,
Commissioner General for Canada in France.

Sir Henry Thornton, K.B.E.,
President, Canadian National Railways,
Ottawa.

Then follow telegrams, one of April 9th from Sir Henry Thornton to Phillips, London.

Montreal, April 9, 1923.

(Translation)

To Phillips, London.

Please repeat to Roy in confidential cypher following "Understand from Aronovici that a property now occupied by Grand Cafe and perhaps others corners Rue des Capucines and Rue Scribe can be acquired for purchase price of 30,000,000 frs. to which must be added Government tax of 3,600,000 frs. and an additional amount of about 3,600,00 frs. would have to be paid present tenants to secure early possession, making total of 37,200,000 frs. Beyond this, we should have to lay down about 3,500,000 frs. to adapt building to offices for you and railways including cinema gallery for propaganda purposes. Building larger than Government and railways require—surplus space can no doubt be rented to advantage. Please say firstly whether you endorse proposition in principle, secondly whether you consider purchase price reasonable as I have no personal knowledge of Parisian property values. It will be necessary to move fairly quickly, as there in an option on property expiring April 20th. Cable reply."

H. W. Thornton.

The answer is from Roy to Aronovici; I think Aronovici was in Montreal then:

Paris. April 12th, 1923.

To Aronovici.

Rue Scribe property would be ideal one for our work. Would recommend it strongly if it could be bought on reasonable conditions.

Roy.

Then a cablegram, May 16th, Thornton to Aronovici:

Montreal, May 16th, 1923.

To Aronovici, Paris.

Bank sending money to Morgan's with instructions to pay to you on receipt of deed to you and mortgage to us satisfactory to Phillips London who will come to see you. Bank will also require a demand note from you for whole amount as evidence of their advance which note this company guarantees you against.

H. W. Thornton.

Hon. Mr. BENNETT: What was the date of Aronovici being in Montreal?

Hon. Mr. DANDURAND: I see that the cablegram from Roy to Aronovici is forwarded from Paris, so I surmise that Aronovici was either in Montreal or in London, but I know that he came to Canada.

Hon. Mr. CASGRAIN: Last spring.

Hon. Mr. DANDURAND: The cablegram from Roy to Aronovici is dated April 12th, 1923. All this was last spring—last year.

Then on May 16th H. W. Thornton sends a cablegram to Phillips as follows:

Montreal, May 16th, 1923.

To Phillips, London.

Go to Paris immediately and see my letter of April 30th in hands of Arnold Aronovici of 2 Edward Seventh Street and get lawyer to approve title and deed to Aronovici and mortgage to this company. Matter to be Closed Saturday.

H. W. Thornton.

On May 25th President Thornton writes to J. C. Carson, Manager, Bank of Toronto, Montreal:

Montreal, Que., May 25th, 1923.

Mr. J. C. Carson, Manager,
Bank of Toronto,
Montreal, Que.

Dear Sir:

In connection with the advance made by your bank of 38,232,161 French francs, ($2,608,330.00) to Arnold Aronovici, for which his note has been issued payable on demand at 6 per cent, funds have been deposited by the Canadian National Railways in a special account in the Montreal Branch of the Bank of Toronto in the sum of $2,608,330.00.

This money is not to be withdrawn from the Bank of Toronto until the note and interest thereon is paid. You are authorized at any time to call for the payment of the said advance with interest after giving the General Treasurer of the Canadian National Railways five days notice of your purpose so to do, and if the principal of the said note is defaulted, you are empowered to apply the deposit to the liquidation of the defaulted principal. Any failure to pay the interest on the note is to be brought to our attention, but no part of the deposit is to be used for the discharge of this indebtedness.

Yours faithfully,

H. W. Thornton,
President.

Then I have a letter of May 31st, 1923, from Sir Henry Thornton to the Minister of Railways, Hon. George P. Graham, as follows:

Montreal, Que., May 31st, 1923.

Personal.

Dear Mr. Graham:

For some months, the necessity for a more aggressive campaign in Europe on the part of the Canadian National Railway System has been apparent to me if we are to get our share of the European business, and likewise develop a constructive immigration policy.

Two months ago, I brought the matter to the attention of our Board of Directors, outlining in a general way what I thought should be done, and the Board expressed itself as being in accord with my views. There has been abundant evidence that our inactivity abroad was losing us a certain amount of business, and you may recall, for example, the statement made recently on the floor of the House by an honourable member, complaining that the Canadian National Railway System was unknown in Europe.

One of the essential implements in the solicitation of business, as well as for the purpose of advertising the Dominion of Canada as a whole, is proper quarters at strategic European points. We are already properly housed in London, but we have no quarters on the Continent. I therefore considered it necessary to secure offices of sufficient prominence to meet our requirements in that territory.

Early in this month, an opportunity developed to secure a property at the corner of Rue Scribe and the Boulevard des Capucines, close to the Place de l'Opera, and in the centre of the banking and transportation district briefly, it may be said that this location is in the very heart of the city.

Immediate action was necessary, as I had information from authentic sources that other interests were considering the property. Accordingly, I immediately arranged that an agent should purchase the property, and employed the support of the Canadian National Railway System in arranging suitable temporary financial credit. The deal was immediately consummated, and simultaneously negotiations were entered

into with a responsible syndicate not connected with the Canadian National Railway System, for the purpose of taking over the property, and with a view to our becoming tenants. These arrangements have now been completed, and the syndicate has agreed to take over the property, subject to certain details.

There will be reserved for the Canadian National Railway System such space as may be required for its purposes, and also for such departments of the Canadian Government as may wish to avail themselves of this opportunity. Should the Provincial Governments also wish to take advantage of the opportunity, they will be treated in the same way as the Canadian National Railway System. Furthermore, it is the intention to locate, if possible, in the building offices for Canadian institutions, so that the property will be, and will become known as a Canadian headquarters in Paris, and on the continent.

I regard it as fortunate that the National Railway System has been able to secure such advantageous quarters, at a reasonable rental, without capital expenditure. It would be unwise and undesirable in the interests of the Canadian National Railway System that full details of the transaction should be known until all arrangements have been completed, but I may say, for your information, that Major Bell, Deputy Minister of Railways and Canals, and Mr. Gerard Ruel, Vice-President in charge of the legal department, have full knowledge of the entire transaction, and are prepared to join with me in a complete endorsement.

Yours faithfully,

H. W. Thornton.

The Hon. G. P. Graham,
Minister of Railways and Canals,
Ottawa.

There is an addition here, which I suppose is written in the hand of Sir Henry Thornton, as follows:

This was written when it was intended that a syndicate would take over the property.

This refers to the last paragraph of the letter, and shows the original idea of the conception of the project.

All of the documents which follow, and which cover the intervention of the Canadian Government, have been deposited in the House of Commons, and I had hoped to have all those documents, but I will have them made out in order that members of the Senate may have under their hands the whole record as it has been prepared for the House of Commons.

Now, I have only this to say, that either House of Parliament has the power to investigate if, after the complete record has been put in possession of the members, any desire is expressed in that direction. I think the record will indicate how the Canadian National Railways went about the purchase of the property at its inception without consulting the Government with regard to such purchase.

Hon. Mr. BENNETT: But the Deputy Minister of Railways was consulted; why not the Minister?

Hon. Mr. DANDURAND: I do not know that he was consulted.

Hon. Mr. DANDURAND.

Hon. Mr. CASGRAIN: He is a director on the Board.

Hon. Mr. BENNETT: Was Aronovici in the employ of the Government at that time, doing services for which he was afterwards paid about $30,000.

Hon. Mr. DANDURAND: I do not know. Two questions which have been put in the other House bearing first on the activities of Mr. Aronovici as immigration agent, and then as representative of the Canadian National Railways, and his participation in the purchase of this property will appear also; but the answers may not all be in the same record. However, all that information will be available.

I draw the attention of my honourable friend to the fact that he erred when he expressed surprise at the Canadian National Railways retaining a party, whatever his name, to interest himself in immigration in the name of the Canadian National Railways. If my honourable friend had stopped to think a moment he would have remembered that the Canadian Pacific Railway is spending immense sums of money on this continent as well as on the other side, and that the Canadian National Railway is doing likewise in a lesser degree.

Hon. Mr. LAIRD: I would like to ask the Minister whether he is aware of the nationality of this man Aronovici?

Hon. Mr. DANDURAND: He is of Rumanian origin, but has been for over a quarter of a century a resident of Paris, and during the war he represented all or part of the British railway system in France; and, as Sir Henry Thornton was manager or president of one of those systems, he came in contact with Mr. Aronovici, who was acting in Paris.

One other thing I would like to add concerning the purchase of that property. I said that the Government would not have sanctioned the purchase, although if I had been consulted I would have recognized in a general way the importance of having the Canadian National Railways represented in Paris. I believe, however, that Sir Henry Thornton failed to analyze and gauge the psychology of the Canadian people when he made that purchase. Last year we were all despondent; we were mostly pessimistic, and very nervous, and many people among us had nearly lost all hope of our financial recovery. Sir Henry Thornton, not being of this country, and being an enthusiast and an optimist, if he is anything, did not see this matter as Canadians saw it; and, as he was accustomed to large business, he decided to corral what he thought

was the best property to be had in Paris. I may say this for him, that undoubtedly he has laid his hand on the best property and the best corner in Paris, if I except, perhaps, the site of the Grand Hotel. Before the war there used to be a quarter of a million strangers moving about Paris every day. I am informed that that number has doubled—that half a million strangers are moving about Paris day in and day out; and not one of them passes through Paris without coming to that property, which is at the very hub of the city of Paris.

Hon. Mr. BENNETT: Would the honourable gentleman explain the statement that the hotel cost originally $2,000,000, as stated in the answers to the House of Commons, when after that they had to pay in all $2,733,693? Where is that represented?

Hon. Mr. DANDURAND: In the cablegram from Sir Henry Thornton to Mr. Phillips in London, he analyzes the total amount, but does so in francs. However, the figure which I have had is that mentioned by my honourable friend.

Hon. Mr. BENNETT: Are there no details for even a trifling amount like three quarters of a million?

Hon. Mr. DANDURAND: Yes, I think the details are fairly given in that cablegram, but my honourable friend will realize that such sums, either fragmentary or total, are all paid by cheques, so that they leave traces not only in the books but in the movement of the funds. Whenever inquiry is instituted or information is asked for, it will be found that those things are adjusted to the last cent.

I said we were all nervous last year. We had been spending millions—tens of millions—lavishly, foolishly, during the war and in the few years that followed, and last year we were beginning to sober up while the taxes were piling upon our shoulders. I believe that to-day we are in a somewhat better mood, and one grievance is being lessened by the fact that the National Railways are doing better.

Hon. Mr. BENNETT: Does the honourable gentleman not know that the gross receipts for the week, corresponding with that of a year ago, were three-quarters of a million less?

Hon. Mr. CASGRAIN: The season is backward.

Hon. Mr. DANDURAND: My honourable friend the Minister of Railways is at this very moment making his annual statement on the railway situation in Canada, and the honourable member may there find information that will raise his hopes. I would not like to see him go to sleep with that nightmare. I am convinced that the honourable gentleman will find some reasons for becoming more optimistic.

Hon. Mr. BENNETT: If the honourable gentleman is not interested enough to read the reports of the railway that are published, surely he cannot blame the ordinary public, the man on the street, for not reading them.

Hon. Mr. DANDURAND: But I would ask my honourable friend not to judge of the results of the administration of a railway or of any large institution by week or month. He will very often have to wait for the full twelve months; and the 1922 report of the railway showed a net revenue of $2,886,711, while last year the revenue had risen from less than $3,000,000 to $20,000,000. So there is reason to hope, and we are beginning to see some light. I believe that this is not the time to be a critic, still less a knocker. Sir Henry Thornton asked three or four years for a trial, a sporting chance. He is doing well.

Hon. Mr. BENNETT: That is the proper word—"sporting."

Hon. Mr. DANDURAND: And we should do nothing to hamper him in his work. He has raised the standard of the service. He has created greater emulation among the men. He is maintaining the road at a high standard and is improving the earning capacity. Sir Henry may have erred—he has been only eighteen months at the helm—and he will most probably err. But he recognizes that he is not infallible. I would like my honourable friend to indicate the man who is infallible. Let me ask him to look about this chamber and question his colleagues and see if he can find many men who will boast of never having failed or erred in their lives. Big corporations, even the best of them, have no supermen at their head. I know of one splendidly managed system which about twenty years ago decided that it ought to attempt the experiment of mining its own coal and went about it vigorously. It spent over three millions of dollars and then quit. So far as I am aware, the shareholders did not blackguard the board of management for that failure. They recognized that those men, though of high standing and stature, were fallible, and they judged their work by the general results.

My honourable friend ended his onslaught on the Canadian National Railways by relating his own experiences, based upon his first-hand knowledge of the Merchant Marine as mismanaged on the Great Lakes.

Hon. Mr. BENNETT: Now the honourable gentleman is not fair. He knows very well that I read all the way through from an official letter of the Department of Railways and Canals. Do not put words into my mouth.

Hon. Mr. DANDURAND: And he came to the conclusion that the managers of that Merchant Marine—he did not even know their names—were either fools or knaves.

Hon. Mr. BENNETT. Oh, I stand to that. Now I can see where the honourable gentleman is at.

Hon. Mr. DANDURAND: Then I am fair. Well, I like the confidence that my honourable friend has in his own facts and his own judgment, and he places them before this Chamber with such an air of conviction and such plausibility that he convinces us they cannot be controverted. He may be a little more modest when I have laid before the Senate the answer of that much abused Merchant Marine, about which he seems to know so much, especially as to their activities on the Great Lakes.

Hon. Mr. BENNETT: As stated in their own reports.

Hon. Mr. DANDURAND: Yes, but my honourable friend drew his own conclusions.

Hon. Mr. BENNETT: Oh, yes.

Hon. Mr. DANDURAND: It is the conclusions that I have to wrestle with.

Hon. Mr. BENNETT: Those are what we are interested in.

Hon. Mr. DANDURAND: The honourable gentleman dealt with twelve vessels on the Great Lakes which may be classified as follows: (1) Kearsage and Arthur Orr; (2) the T. J. Drummond and G. A. McKee; (3) Canadian Adventurer, Canadian Pathfinder, Canadian Sailor, Canadian Signaller, Canadian Sower, Canadian Trader, Canadian Warrior, Canadian Engineer.

He also referred to "six other vessels of a similar class which could have been taken up there to aid the fleet to help the farmer of the West." The ships referred to by my honourable friend are of 5,100 tons capacity—larger than the boats on the Great Lakes. They were tied up in Montreal, as my honourable friend will remember, and he said that they should have been rushed up to the Lakes.

Hon. Mr. CASGRAIN: They could not get through the canals.

Hon. Mr. DANDURAND: In fact, because of their size, it is not possible to navigate them through the canals to the Great Lakes, because the length of the locks is 255 feet, whereas the length of the ships is 331 feet.

Dealing specifically with the twelve vessels now on the Great Lakes, referred to by my honourable friend—

Hon. Mr. BENNETT: Will the honourable gentleman tell me at what page of Hansard that is to be found? I cannot locate it.

Hon. Mr. DANDURAND: The page at which he made that statement?

Hon. Mr. BENNETT: Yes.

Hon. Mr. DANDURAND: Page 276:

> They had a fleet of vessels that could move a million and a half bushels a week; and further, I am told that at the same time there were tied up in the city of Montreal six other vessels of a similar class which could have been taken up there to aid the fleet to help the farmer of the West. Was that done? Here is a record that shows what was done by the Government last year in that connection.

I find that my honourable friend, further on, as the leitmotiv, refers often to the fact that this, that, and the other were not done, because the Canadian Steamships Company and the Playfair Company had to be taken care of.

Dealing specifically with the twelve vessels now on the Great Lakes, referred to by my honourable friend, there are: first, the Kearsage and the Arthur Orr. These two ships are owned and operated by the Canadian National Railway Company, and are not part of the fleet of the Canadian Government Merchant Marine. The Kearsage and the Arthur Orr belong to the Canadian Atlantic Transit Company of the United States, a subsidiary of the Canadian National Railway Company, and are operated in connection with the so-called rail and lake differential route of the Canadian National Railways in regular assigned service. The nature of the traffic handled by these boats is largely package freight from New York and the New England States over the Central Vermont Railway and the Canadian National Railways to Depot Harbour, and by the boats referred to, to Chicago, and the ships are an integral link in this through rail and water route, and must necessarily be operated in conjunction with that through service and on a regular schedule sailing date basis. The rates applicable to traffic moved are based on a percentage of the through published tariff rate, and, whilst the boats in themselves may not necessarily show an operating profit, they bring to and hold for the rail line a tremendous volume of business which would not otherwise seek that

route. The return cargoes consist largely of American corn and other grains from Chicago or Milwaukee to Georgian Bay ports, principally Depot Harbor, and it would be impossible to divert these boats to regular tramp service without interrupting or completely demobilizing the through differential line above referred to.

Hon. Mr. CASGRAIN: That is a good answer.

Hon. Mr. BENNETT: Who writes this, may I ask?

Hon. Mr. DANDURAND: This is a statement which I have obtained from Mr. Galloway, who got his information from Mr. Teakle, the President of the Merchant Marine, and Mr. R. C. Vaughan, the Vice-President. I will read their letters.

Hon. Mr. BENNETT: What is the date of the communication?

Hon. Mr. DANDURAND: As soon as my honourable friend had spoken, I moved the adjournment of the debate, stating that I wanted information—

Hon. Mr. BENNETT: The honourable gentleman may not be aware that Mr. Teakle is out of the country.

Hon. Mr. DANDURAND: No, he is not out of the country, unless someone has forged his signature. I have his letter here.

Hon. Mr. BENNETT: Well, he is reported to be out of the country.

Hon. Mr. DANDURAND: This through rail and lake route has been in use for many years, and while a segregation of the earnings of the line does not show a profit to the ships, there can be no doubt but that the continuance of this route has been of substantial financial advantage to the railroad, both as to the business actually handled by this route and to other business which is obtained and held by the railway at other seasons of the year, which would not remain with the railways unless this service could constantly be given in the summer months.

It may be noted that my honourable friend refers as an example for the railway to the employment by the Canadian Pacific railway of five large vessels carrying flour between the head of the lakes and bay ports. These boats are employed by the Canadian Pacific as part of its through rail and water route, giving a service of the same character as that given by the employment of the Kearsage and the Orr.

Hon. Mr. BENNETT: Let me interrupt the honourable gentleman there. The man that writes that letter is simply writing a lot of rot.

Hon. Mr. DANDURAND: I will ask my honourable friend—

Hon. Mr. BENNETT: Will the honourable gentleman wait till I tell him?

Hon Mr. DANDURAND: I will ask my honourable friend to allow me to proceed to lay before the House the whole statement as I have it in hand?

Hon. Mr. BENNETT: Let me tell the honourable gentleman—

Hon. Mr. DANDURAND: He may close the debate.

Hon. Mr. BENNETT: Very well. The honourable gentleman had better get more facts, though, instead of wild statements.

Hon. Mr. DANDURAND: This Government has not changed any of these officials. They were in office when this Government came in, and I am told that Mr. Teakle was taken from the Allan Line, and that he has a good record. It is not for me to defend him or to assail him, but surely my honourable friend will allow the Management to give an answer to his charges. Besides, my honourable friend asked me not to rise in my place before obtaining this information. He was very sorry that these gentlemen were not behind the bar to listen to what he had to say. Now I bring the answer in all sincerity, and I hope that my honourable friend may be able to analyze these statements.

Hon. Mr. BENNETT: I hope to do more than that—to examine some of these gentlemen.

Hon. Mr. DANDURAND: Then there are the T. J. Drummond and the G. A. McKee. My honourable friend is not omniscient. He did not know that these ships in Montreal could not go up the canals.

Hon. Mr. BENNETT: Which? The Drummond and the other boat?

Hon. Mr. DANDURAND: No, no; those six.

Hon. Mr. CASGRAIN: The six the honourable gentleman wanted to have put through the canals.

Hon. Mr. BENNETT: I said—and I have read it since; "I am informed there were six." So I was told.

Hon. Mr. DANDURAND: Then there are the T. J. Drummond and the G. A. McKee. These two ships are lake carriers, and, as the Canadian Government Merchant Marine are not primarily engaged in lake carrying business, it was deemed advisable to dispose of the ships by sale. They were therefore tendered along with a number of other ships belonging to the Canadian Government Merchant Marine, and were sold at what was considered a fair price. Other ships on the Great Lakes were also offered for sale at the same time, but no satisfactory prices were received therefor, the reason being that they were not designed for carriage of traffic on the Great Lakes.

The Canadian National Railway Company are not primarily engaged in the carriage of traffic on the Great Lakes, and it was only for the purpose of assisting in the movement of the grain crop from the Northwest and because of the fact that charters were not available for these ships at profitable rates on ocean routes that they were placed in this service, and because of the fact that these ships were not constructed and are not very satisfactory for the carriage of traffic on the Great Lakes, and because of the large surplus of ocean-going tonnage available at the present time, no satisfactory offers were received for the purchase of any of the ships other than the T. J. Drummond and the G. A. McKee; and because of their being unsatisfactory for the purpose, they were only used intermittently when there appeared to be a sufficient volume of traffic moving to warrant their operation, as was the case for instance in the fall of 1923 and the spring of 1924.

In addition to the four ships already referred to there are on the Great Lakes the Canadian Adventurer, Canadian Pathfinder, Canadian Sailor, Canadian Signaller, Canadian Sower, Canadian Trader, Canadian Warrior, and Canadian Engineer; and the complaint from my honourable friend is that these ships were used for carrying grain from the head of the lakes to bay ports, and that they were not loaded with coal from American ports to Depot Harbour, Key Harbour, Midland, Port Arthur and Fort William.

The reasons for not using these ships to carry coal to the bay ports are obvious. They would simply be diverted from the grain-carrying trade to make the trip to Cleveland and return, and would then be in the same position as they were in when the grain was unloaded at the bay port, with this difference only, that they would have to be cleaned and made suitable again for the carriage of another cargo of grain.

The reason for not using them to carry coal to Fort William and Superior are set out in memoranda from Messrs. R. B. Teakle and R. C. Vaughan, a copy of which is attached hereto, and these reasons are briefly: first, the ships are not constructed for the coal carrying business. Their engines are in the middle of the ships and they are equipped with ballast tanks and other auxiliaries not commonly found in lake freighters. This type of construction makes it very awkward to load and unload them with coal. In addition to this coal being a heavy commodity, it is very likely to seriously damage the ship when it is unloaded into the hold, and when being unloaded large buckets are used which are dropped into the hold from a considerable height, with the likelihood of considerable damage to both the hull and the equipment of the boat, because of its construction.

Secondly, when these vessels were placed in the grain-carrying trade it was necessary to obtain charters for as much of the season as possible. They were chartered to different firms, each one of which insisted on placing a clause in the charter party that the steamers were to return light from Port Colborne or bay ports to the grain-loading port.

As above stated, our ships were not constructed for the grain-carrying trade and therefore the management knew that it would be unsafe to take a chance on obtaining charters from time to time in competition with other ships that by reason of their suitability were in much greater demand. It was essential therefore to arrange charters for the season on the best terms possible, and in order to do this we had to accept the provision for returning the ships light.

By reason of the construction of the ships they were liable to be damaged and thereby delayed in the coal trade.

In order to obtain charters under the adverse conditions created by the type of ships, we had to assure the return of the ships to the head of the lakes as promptly as possible.

The reasons for the deficits on some of the ships subsequently mentioned by my honourable friend are set out in Mr. Teakle's memorandum.

Complaint is made by the honourable gentleman that other steamship lines, more particularly the Matthew Steamship Company, Limited, were not given an opportunity to carry any portion of the coal requirements of the Railways, but that the Management declined to give such an opportunity to any Companies other than Messrs. Playfair Interests and the Canada Steamship Company. The fact is that a considerable quantity was carried in the vessels of other Canadian lines,

including Matthew Steamship Company, Limited; Glen Steamship Line, Limited; Norman M. Patterson, Limited; George Hall Coal Shipping Corporation; Algoma Central Steamship Line Limited; Robert S. Misner; Mullen Coal Company, and others; and the management has not received complaints from any of these shipping interests that they were refused a fair opportunity to participate in this movement, nor are they aware that any dissatisfaction has existed respecting it.

Hon. Mr. BENNETT: Let me say right here, for the honourable gentleman's benefit, so that he may get these officials and tell them to be careful in what they state, that the Glen Line and the Great Lakes are the same line of ships, and the two boats, the Drummond and the Kearsage, were rented to the same company. Someone must think people know nothing.

Hon. Mr. DANDURAND: The statement is that these two were lake carriers.

Hon. Mr. BENNETT: They were rented to that same company.

Hon. Mr. DANDURAND: They were sold.

Hon. Mr. BENNETT: No, they were rented to that company.

Hon. Mr. DANDURAND: But are they not the two ships that were sold?

Hon. Mr. CASGRAIN: Was not the Drummond sold?

Hon. Mr. BENNETT: Yes, but before they had been sold—

Hon. Mr. DANDURAND: Ah!

Hon. Mr. BENNETT: Wait a moment—they had been rented to this favoured company; not the Canada Steamships, but the other company.

Hon. Mr. CASGRAIN: The Playfair?

Hon. Mr. DANDURAND: But if my honourable friend will allow me to proceed, he will have plenty of time to digest this document—these facts.

Hon. Mr. BENNETT: It is amusing if nothing else.

Hon. Mr. DANDURAND: Amusing, but it is couched in very polite form, and I think we might take a lesson from the way in which our own officials are giving us information. I know of persons who have been somewhat less particular in dealing with them, and they were not here to defend themselves.

If the Matthews Steamship Company or any other company in a position to handle the business will apply to the Management in the regular way, the Management will be glad to discuss fully with them arrangements for the carriage of a portion of its tonnage.

The Arthur Orr and the Kearsage, I draw my honourable friend's attention to this fact, belong to a subsidiary of the C.N.R. not to the Merchant Marine. The T. J. Drummond and the McKee, with the eight others, are tramp vessels on the lakes. The policy has been, and is, to sell all vessels for which the Company has no regular assigned service. The C.P.R. has no tramp steamers on the Great Lakes. These eight steamers are not suited for that trade, the evidence being that no decent bid came for them. It was a misfortune that they were all built for ocean trade.

Hon. Mr. CASGRAIN: They carry only two-thirds of the cargo carried by other lake vessels of the same tonnage.

Hon. Mr. DANDURAND: Here is a letter from Mr. Vaughan, of the 6th of May:

> Referring to your verbal request for information in respect to the floating of our lake coal to Lake Superior and Georgian Bay Ports.
>
> Arrangements for the carriage of this coal are made from year to year and the business is usually divided between Canadian Steamship Companies who are in the best position to properly take care of our requirements and this year the tonnage has been divided between the Canada Steamship Lines and the Playfair Interests, both of which operate a large number of vessels on the lakes. Our desire is to give Canadian vessels preference wherever it is possible to do so but when Canadian vessels are not available it is essential that others be used. When coal is coming forward in large volume from the mines to Lake Erie Ports and there are no Canadian vessels available, it is necessary for our Lake Forwarding Agent at Cleveland to charter whatever tram tonnage can be secured.
>
> I would advise, for your personal information, that the Playfair Interests and Canada Steamship Lines offered to float our lake coal this year at a maximum rate of thirty-five cents (35 cents) a net ton which is lower than the going rate (at present 40 cents).

Hon. Mr. BENNETT: Was 35 cents the rate last year?

Hon. Mr. DANDURAND: I am reading that letter. My honourable friend knows very well—

Hon. Mr. BENNETT: I did not catch what the honourable gentleman said, and I asked if that was this year or last year.

Hon. Mr. DANDURAND: (reading):

> I would advise, for your personal information, that the Playfair Interests and the Canada Steamship Lines offered to float our lake coal this year—

That is this season, 1924—

—at 35 cents a net ton, which is lower than the going rate—at present 40 cents—and under the arrangement made we are to receive the benefit of reduction if the going coal rate is at any time less than 35 cents, which we do not expect it will be.

My honourable friend mentioned 50 cents.

Hon. Mr. BENNETT: The honourable gentleman puts words into my mouth that I never used. I never said they were paid 50 cents. I ask the honourable gentleman what they were paid last year. I said that computed at 50 cents the freight would have amounted to $800,000.

Hon. Mr. DANDURAND: My honourable friend computed at 50 cents, and said it was too high.

Hon. Mr. BENNETT: Tell the public what they did pay last year.

Hon. Mr. DANDURAND: My honourable friend puts that question as if he had the idea that there was something crooked being carried on.

Hon. Mr. BENNETT: Why not tell the House what they paid last year?

Hon. Mr. DANDURAND: I will get that information for my honourable friend.

Hon. Mr. BENNETT: Why didn't they give it to you?

Hon. Mr. DANDURAND: Apparently my honourable friend did not ask for it.

Hon. Mr. BENNETT: I asked, and was told confidentially what it was.

Hon. Mr. CASGRAIN: You tell us.

Hon. Mr. BENNETT: I will not. I was told in confidence.

Hon. Mr. DANDURAND: This only establishes the danger of carrying on a campaign in this Chamber before having the facts. I would suggest that there should be some method of obtaining information and carrying it to the leaders of the parties in the House of Commons and here. I would not object to this House forming a joint Committee with the House of Commons to consider the facts before we destroy with our own hands the reputation of our own property.

Hon. Mr. BENNETT: Let the honourable gentleman ask what they paid last year, and he will find my computation was not so very wild.

Hon. Mr. DANDURAND (reading):

We expect to move approximately 975,000 tons of coal to Lake Superior and Georgian Bay Ports this season as follows:

Fort William..	450,000 tons
Port Arthur..	285,000 "
Midland..	100,000 "
Key Harbour..	100,000 "
Superior..	40,000 "
	975,000 tons

The above coal will be shipped from such ports as: Lorain; Erie; Ashtabula; Huron; Fairport; Cleveland.

I find that during the 1923 season of navigation, in addition to the tonnage carried by boats of the Canada Steamship Lines and the Playfair Interests, a considerable quantity of our lake coal was carried in the vessels of such other Canadian Lines as the Matthews Steamship Company Limited, Glen Steamship Line Limited, Norman M. Patterson Company Limited, Geo. Hall Coal Shipping Corporation, Algoma Central Steamship Line Limited, Robert S. Misner, Mullen Coal Company, etc.

Hon. Mr. BENNETT: What about my statement that it was carried in American bottoms? Is that untrue, too?

Hon. Mr. DANDURAND: If my honourable friend will allow me to continue, he will perhaps find the information he is seeking in the letter of the General Manager, Mr. Teakle. If I have not covered all the ground, when I am through, my honourable friend need only send me a memorandum—he need not make another speech, although I am pleased to hear him—and he will get the facts.

Now I come to a letter to Mr. D. E. Galloway:

Dear Sir:

Referring to questions of this morning re deficits on several of our steamers while engaged in the grain trade on the Great Lakes in 1923:

ss. Canadian Warrior was laid up at Collingwood from January 1, to September 15, and the Canadian Signaller during the same period. The reason for the lay up of these steamers was due to their requiring very heavy repairs and it was not considered advisable to put them into operation until such time as there was really a demand at a paying rate, this particularly in view of the fact that the steamers were for sale and were to be sold on a basis of as is and where is. On or about September 15, according to our Traffic Department, there was a strong demand for steamers and it was decided to make the necessary repairs to the Canadian Warrior and Canadian Signaller.

In the deficits shown is included expenses during the lay-up period, which are as follows:

ss. Canadian Signaller, January 1, to September 13, $4,662.15; ss. Canadian Warrior, January 1, to September 15, $5,132.59; ss. Canadian Signaller, repairs, $5,784.27; ss. Canadian Warrior, repairs, $8,084.40.

ss. Canadian Engineer.—This steamer was in the grain trade from May 4 to June 15. On that date we entered into an arrangement to carry automobiles from Detroit to Montreal. This was due to their being no demand for grain space at that time and the automobile so carried were for our steamers on direct Montreal-Australian run, the ss. Canadian Engineer being used as a feeder. She continued in this trade until September 7, when she was again put back carrying grain and continued until the end of the season.

ss. Canadian Sower.—This deficit was partly due to her not being able to obtain as good a rate as

our other steamers during the month of November and also to prevailing conditions at loading and discharging ports.

In regard to our steamers engaged in the Great Lakes carrying coal upbound—these steamers were under charter to different firms, and included in the charter party is a clause that our steamers are to return light from Port Colborne or Bay ports to grain loading port. ss. T. J. Drummond and J. A. McKee were under time charter to Great Lakes Transportation Company.

It is true that we had six steamers S.S. Canadian Aviator, Canadian Hunter, Canadian Raider, Canadian Rancher, Canadian Trapper and Canadian Trooper, tied up at Montreal during the summer season of 1923. It was not possible to put these steamers into the Great Lakes on account of their length, which is 331 feet, the length of the locks in the Lachine Canal being 255 feet.

Yours truly,

R. B. Teakle,
General Manager.

Now, I submit that all the matters to which my honourable friend has referred are matters of administration. I put this question to the Chamber: will we sit in judgment upon questions of administration? It is needless to say, with regard to these matters, two of which are at present under investigation, that I cannot accept this motion; and I hope my honourable friend who sits facing me (Hon. Sir James Lougheed) will adjourn the debate, if he intends to follow me, in order further to ponder over the numerous problems confronting us, and also in order that he may have the advantage of the annual statement of the Minister of Railways, which he is delivering this afternoon.

As I have said, these are matters of interest to the country. I do not see that my honourable friends, who have brought in a general, sweeping accusation, can gain anything by the inquiry of a Senate Committee, and I hope it is not for party advantage that they would have it. I feel that we have a very difficult financial situation in this country, one which needs to be examined and looked into and taken care of in a very delicate manner. I am convinced that when my honourable friend, consulting with the wise men of his party, examines into the situation, he will feel as I do, that something could be and should be done to obtain data from the Canadian National Railways and the Merchant Marine which could perhaps be commented upon afterwards; but that it would be hurtful to our own Canadian National Railway system to proceed as we have proceeded this far. I believe that we owe it to ourselves and to the people of this country not to try to tear down, but to lend a helping hand and try to build up.

Hon. Mr. SCHAFFNER: Before the honourable gentleman sits down, I have a question that I should like to ask, although it may not be altogether pertinent to the matter before us. I have been trying to discover for some time for what service this Merchant Marine was built. We have been told to-day that it is not adapted to the carrying of coal; and the Minister of Agriculture has told us that it is not adapted to the carrying of cattle and wheat in the ocean service. I do not know whether I have a right to expect my honourable friend to answer this question—

Hon. Mr. DANDURAND: My honourable friend to my left says he has the information.

Hon. Mr. SCHAFFNER: It is information that I would like to have.

Hon. Mr. CASGRAIN: The honourable gentleman will remember that two years before the end of the war the then Minister of Marine, with the unanimous consent not only of this House but of the other House as well, on account of the heavy losses which the Marine world had suffered from submarines, decided to build a fleet of vessels to replace those that were being lost daily. These vessels, ocean-going vessels, were built. They were not intended to go on the lakes at all. Vessels on the lakes that were too large to pass through the canals were cut in two and floated down, and anyone who lived along the St. Lawrence saw many of them after they were cut in two, and brought down in pieces, with good stanchions and tight partitions, to be joined together again and sent off to the ocean. The main thing in those days was to get munitions and food across the ocean—and there was a scarcity of tonnage. It is well known that during the war tonnage was so high that an ordinary ship would pay for itself if it made two successful trips. Insurance rates were also very high.

The ships that were built at that time are not adapted to trade to-day. Those vessels were built for ocean service—and I would like to emphasize this, particularly to honourable gentlemen from the West—and they had to be strong enough to stand a storm on the ocean. The ships themselves were heavy and would carry only two-thirds of the cargo carried by a lake vessel of the same tonnage. Suppose a laker carried 300,000 bushels; an ocean vessel of the same tonnage would carry only 200,000.

Hon. Mr. SCHAFFNER: What year did they start to build?

Hon. Mr. CASGRAIN: In 1916, two years before the end of the war. Parliament was then sitting in the Museum, and I remember that I myself approved of the policy of Mr. Ballantyne, because it was a time of war and ships were needed. Contracts had been given for the building of ships, but they were not all completed—and that may be a matter for

discussion. As men were returning from the front, there was a great deal of unemployment, which was given as an excuse by the former Government for completing those ships. I do not blame the Government for that. Some of the ships were not finished until a year and a half or two years after the war. Some of those 8,000 ton ships were built in Halifax. Some of the ships that had been cut in two were again cut in two and taken back to the lakes.

Hon. Mr. SCHAFFNER: That does not say what they were built for.

Hon. Mr. CASGRAIN: They were built to take munitions and food overseas.

Hon. Mr. ROBERTSON: General purposes.

Hon. Mr. SCHAFFNER: They were not built for general purposes at all.

Hon. Mr. CASGRAIN: We have some of them in operation on the West Indies route, and so on; but they are not profitable ships. Why they were designed as they were I do not exactly know. During the war ships of a certain draught were wanted, because it was not known to what harbour they might have to go, and as they were designed for war purposes, they were built in that way. They are all of pretty near the same type—'tween decks, and built solidly; but commercially they are not economical. They have very powerful engines and burn a lot of coal. Some of them can go at a much higher speed than ordinary freighters can. To use them would be like hauling potatoes in a sulky.

Hon. Mr. SCHAFFNER: Do you suggest that they would work well on the Hudson Bay?

Hon. Mr. CASGRAIN: That would be the best place to send them now; it would save money, because they would never come back.

Hon. Mr. TANNER: In what respect do they differ from ordinary freighters?

Hon. Mr. CASGRAIN: Some of them are fitted with passenger quarters. The discussion we have had is about the Great Lakes, and lake freighters and ocean freighters are not the same at all.

Hon. Mr. TANNER: Some of them carried cattle across to the Old Country.

Hon. Mr. CASGRAIN: Yes, and how much did they lose in doing it? They are not fitted for the cattle trade either. I would commend to my honourable friend the speech made in another place by Mr Duff, the member for Lunenburg, I think, in which he explained why these ships cannot be operated economically.

Hon. Mr. TANNER: Is that the 5-hour speech?

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. ROBERTSON: Although not sitting directly opposite my honourable friend (Hon. Mr. Dandurand), I crave the honour of adjourning the debate.

Hon. Mr. BENNETT: Before the debate is adjourned, I want to ask the leader of the House what defence he has to make for not calling for tenders for the carriage of the 1,600,000 tons of coal when he knows that no contract exceeding $5,000 can be made without calling for tenders.

Hon. Mr DANDURAND: I have no defence whatever to make. It is not my duty to defend myself in that matter. I have nothing to do with that; that is why I have no defence. But I suppose the men who have charge of the Merchant Marine can answer all those questions.

Hon. Mr. BENNETT: That is all we ask, to get them here.

Hon. Mr. DANDURAND: They have given the answers to a considerable degree, and perhaps to the satisfaction of quite a number of members, but if there is a question that they seem not to have noticed I will be glad if my honourable friend will ask his questions seriatim, and I will bring them to the attention of the Merchant Marine office. I have not yet found out where the office is. I have had nothing to do with those gentlemen, nor with the Canadian National Railways.

Hon. Mr. BENNETT: I would like to ask my honourable friend, Mr. Casgrain, if he was talking about those vessels on the upper lakes, about their having 'tween decks, when he said they cannot handle stuff in them, and all that.

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. BENNETT: I can only say that he will be sorry when the evidence comes out, because his reputation will be shattered.

Hon. Mr ROBERTSON: I understand the honourable gentleman from New Westminster wants to make some remarks, and therefore I withdraw my motion.

Hon. Mr. TAYLOR: I have just a few words to say, and then I will move the adjournment of the debate. I think the Senate

is entitled to congratulate itself upon having accomplished something by this episode, in bringing from the honourable gentleman the answer of the coon: "Don't shoot: I'll come down."

Hon. Mr. DANDURAND: But the coon is in Winnipeg, if my honourable friend means the investigator.

Hon. Sir JAMES LOUGHEED: Well, he will come down.

Hon. Mr. DANDURAND: He will come down with his report.

Hon. Mr. TAYLOR: If a message has come from Winnipeg, then I have no objection to passing on the reference in that direction. I would suggest to the honourable gentleman, though, that this is evidently a last-hour repentance, because it is only a few days since his colleague the Minister of Railways issued a rather odd answer for a Minister of the Crown, and broadcasted it through the press of Canada, to the effect that persons making these charges should put up or shut up. By this he meant to say that they should go into court with their own money, or else refrain from using the privilege that is theirs, of coming to Parliament with a complaint when the persons and Ministers charged with the duty of investigations in cases of this kind refuse to exercise the functions with which they are charged.

Hon. Mr. DANDURAND: But my honourable friend should trust to the Minister who represents the Government in this Chamber rather than to press reports.

Hon. Mr. TAYLOR: I would say to the Minister who represents the Government in this Chamber that he was kind enough to take me to task this afternoon and read to me a lecture upon my having presumed to exercise my privileges in this House, saying that he was at a loss to understand what motive I could have had for laying these facts before the House the other day, and not moving a motion commensurate with the occasion. If he had asked me then, or before, I would have had pleasure in telling him, as I tell him now, that he will find in the Statutes of Canada, namely, in the Shipping Act, section 781, this direction:

> The Minister may appoint any officer of the Government of Canada, or any judge of the Superior Court of the province of Quebec, or any judge of a county court, or any local judge in Admiralty of the Exchequer Court of Canada, or any stipendiary magistrate to be a commissioner to hold formal investigations; and a commissioner shall for such purpose be a court.

Now, that has been done already, as I narrated the other day. The Act further provides this:

> 805. In any case where a formal investigation has been held, the Minister may order the investigation to be re-heard, either generally or as to any part thereof, and he shall so order—
>
> (a) if new and important evidence which could not be produced at the investigation has been discovered, or
>
> (b) if, for any other reason, there has been in his opinion ground for suspecting that a miscarriage of justice has occurred.
>
> 807. The Minister may, if, in any case, he thinks fit so to do, pay the costs of any such formal investigation, out of any sums voted by Parliament for the purpose of holding investigations into shipping casualties.

Now, honourable gentlemen, the other day, when I laid before the honourable gentleman who represents the Government, the array of facts that I presented to this House, I was in hopes that he would have gone into consultation with his colleagues in the Cabinet, and moved them to hold the investigation under the Shipping Act which the law directs shall be held, "if for any other reason there has been, in his opinion, ground for suspecting that a miscarriage of justice has occurred." It seems to me that ample ground has been presented to this Chamber in the several statutory declarations I have given to the Commissioner.

While I received with pleasure the announcement of the honourable gentleman this afternoon that a Royal Commission would issue, I suggest that it be a Commission of Inquiry for which the Government shall be responsible, as the law says they are responsible under this Act, and that there shall be no attempt to avoid the issue by saying, "We will give you a Royal Commissioner of our choice, but the costs of any proceeding before him shall be on any private citizen who feels it his duty to bring to our attention matters of this kind."

Hon. Mr. DANDURAND: The honourable gentleman will realize that as soon as I heard him and his accusations I turned around to the President of the National Railway Company, and I suggested that the weak point in this inquiry was perhaps the fact that Mr. Temple was not vested with the necessary power. I did not intend to force upon the Canadian National Railway any action which it would refuse to take, inasmuch as it has a free hand, but I suggested that the President ask that we would clothe that commissioner, Mr. Temple, with the necessary power.

Hon. Mr. TAYLOR: Well, I sincerely hope it will not be Mr. Temple whom they clothe with any power.

Now, I want to refer for a moment to the broadcasting of Sir Henry Thornton on the day following the debate in this House. I noticed that his broadcast was based on newspaper reports that were not quite accurate,

and that he took me to task for something that the press reported, but that I did not say; that is, that no notice was given to me of the inquiry. Notice was given to me, but I do not know that it was given to anyone else, or to the public. Notice of the precise date came to me when I sent a wire to Mr. Temple, but until then he had not told me when he was coming, although then two weeks delinquent. The Canadian National Railway officials and the accused at Vancouver had notice, but the public at Vancouver and the complainants, so far as I know, had no notice whatever. I see in the broadcasting of Sir Henry Thornton the statement that notice was published in the press. I say, as a constant reader of the press, that I never saw it, and that I never met any person else who did see it, and I know that none of the persons interested in the inquiry had the first intimation that any such notice had been published. I may say further that if it had been published nobody would have understood what this very ambiguous paragraph did refer to.

Now, honourable gentlemen, I move the adjournment of this debate.

The motion was agreed to, and the debate was adjourned until Tuesday next.

DIVORCE BILLS

SECOND READINGS

Bill B4, an Act for the relief of Angus Martin.—Hon. Mr. Blain.

Bill C4, an Act for the relief of Lester Ernest Greenwood.—Hon. G. V. White.

Bill D4, an Act for the relief of Charles Lawson.—Hon. Mr. Bennett.

Bill E4, an Act for the relief of Margaret Hickey.—Hon. Mr. Green.

Bill F4, an Act for the relief of William John Chenery.—Hon. Mr. Green.

Bill G4, an Act for the relief of Florence Roberts.—Hon. W. B. Ross.

Bill H4, an Act for the relief of Hugh Allan Macdonald.—Hon. W. B. Ross.

Bill I4, an Act for the relief of Wilhelmine Christina Slater.—Hon. W. B Ross

Bill J4, an Act for the relief of Emma Doris Perley.—Hon. W. B. Ross.

Bill K4, an Act for the relief of Arthur Hill.—Hon. W. B. Ross.

Bill L4, an Act for the relief of Louis White.—Hon. W. B. Ross.

Bill M4, an Act for the relief of Emily Elizabeth Reeder.—Hon. Mr. McCoig.

LLOYDMINSTER BRANCH LINE BILL

FIRST READING

Bill 46. an Act respecting the Construction of a Canadian National Railway Line from Lloydminster, in the Province of Saskatchewan, northwesterly 45 miles.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, May 29, 1924.

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

Prayers and routine proceedings.

WAR WITH TURKEY

INQUIRY

Hon. Mr. GRIESBACH: I beg to give notice that I will inquire of the Government:

1. Has a state of war existed between Canada and Turkey within the last ten years? And if so—
2. Was the state of war between Canada and Turkey set forth in any declaration, proclamation or other document published by the Government of Canada for the information of the people of Canada within the last ten years? If so, quote the document.
3. If a state of war has existed between Canada and Turkey within the past ten years, has such state of war been terminated and if so, by means of what Treaty of Peace or by what other means has the said state of war been terminated?
4. If a state of war now exists between Canada and Turkey, what offensive or defensive action does the Government propose to take?
5. If a state of war exists between Canada and Turkey and the Government does not propose to take any offensive or defensive action, does the Government propose to terminate the state of war by Treaty of Peace or otherwise?

I have not set the date upon which I expect the reply, but I may say that I expect it at an early date.

Hon. Mr. DANDURAND: I can perhaps give the reply right away.

Hon. Sir JAMES LOUGHEED: So that the war may be stopped.

Hon. Mr. DANDURAND: War existed between Canada and Turkey when His Majesty the King declared war upon Turkey or Turkey declared war upon Great Britain. At that moment Canada constitutionally was at war. The war ceased when His Majesty the King signed or ratified the Treaty of Peace. I think this covers all the questions of my honourable friend.

Hon. Mr. GRIESBACH: Except that my honourable friend has omitted the name of the Treaty of Peace in question—the Treaty of Sevres or the Treaty of Lausanne.

Hon. Mr. DANDURAND: I mean the Treaty which has been ratified lately by His Majesty the King, and which would be called the Treaty of Lausanne.

Hon. Sir JAMES LOUGHEED: You think there is no danger of an invasion by the Turks?

Right Hon. Sir GEORGE E. FOSTER: I feel relieved.

Hon. Mr. GRIESBACH: I desire that my question should go on the Order Paper. I am quite willing to accept the reply of the leader of the Government, and, I assume it will go on Hansard so that it may be compared with the information given elsewhere.

Hon. Mr. DANDURAND: I wanted to reassure my honourable friend.

DIVORCE BILL

FIRST READING

Bill U4, an Act for the Relief of Raymond Anderson Mashinter.—Hon. Mr Blain.

IMPORTS UNDER BRITISH PREFERENCE

INQUIRY

On the notice:

By the Honourable Lorne C. Webster:

That he will inquire from the Government:

For a list of the more important articles imported from Great Britain in Canada during the fiscal year 1923, which received the benefit of the preferential tariff.

1. What was the value thereof.
2. What was the amount of the duty collected thereon.
3. What would the amount of duty have been on the same articles if there had been no preference duty allowed, or if the general duty had been applied.
4. Also a list of the articles upon which the preferential tariff has been increased or reduced, directly or indirectly, by the budget of this year.

Hon. Mr. DANDURAND: I will say "Stand" to the question, although I had intended asking the honourable gentleman to make it a motion for a return, as I am informed by the Department that it will take some time to prepare the information.

Hon. Mr. DAVID: So he must make another motion?

Hon. Mr. DANDURAND: No. Of course, I have not his consent to transform this inquiry into a motion for a return, and as the honourable gentleman is not here, perhaps we could leave it on the Order Paper.

Hon. Mr. BEIQUE: The answer is being prepared?

Hon. Mr. DAVID: I am interested in having that information; so, if you wish me to make my motion on the British Preference, you ought to have the information asked for brought before the House as soon as possible—and I hope you will do so.

Hon. Mr. DANDURAND: I will make an effort to obtain the information from the Department. The statement which I have just made came from the Deputy Minister, Mr. Farrow.

MOTION FOR RETURN

Hon. Mr. McLENNAN (for Hon. L. C. Webster) moved:

That an Order of the Senate do issue for a return giving a list of the more important articles imported from Great Britain in Canada during the fiscal year 1923, which received the benefit of the preferential tariff, and showing:

1. What was the value thereof.
2. What was the amount of duty collected thereon.
3. What would the amount of duty have been on the same articles if there had been no preference duty allowed, or if the general duty had been applied.
4. Also a list of the articles upon which the preferential tariff has been increased or reduced, directly or indirectly, by the budget of this year.

The motion was agreed to.

EXPORTS UNDER McKENNA DUTIES

MOTION FOR RETURN

Hon. Mr. McLENNAN (for Hon. L. C. Webster) moved:

That an Order of the Senate do issue for a return giving:

1. A list of articles exported from Canada to Great Britain coming under the preference of the McKenna duties.
2. The value of such articles so exported.
3. What was the rate of preference duties thereon.

The motion was agreed to.

BONDED WAREHOUSES AT HALIFAX

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an Order of the Senate do issue for a return of copies of all communications during 1921, and since that year between the Government of Nova Scotia, or any person on their behalf, and the Department of Customs and Excise, or any other Department of the Government of Canada, in regard to the establishment in the City of Halifax, Nova Scotia, of bonded warehouses for intoxicating liquors.

The motion was agreed to.

TARIFF AMENDMENTS

MOTION FOR RETURN WITHDRAWN

On the Notice of Motion:

By the Hon. Mr. David:

That an Order of the Senate do issue for a statement showing the amendments made to the tariff in 1897.

Hon. Mr. DAVID: Having been promised the information for which I have asked, I will, with the permission of the House, withdraw my motion.

The motion was withdrawn.

EXPORT OF INTOXICATING LIQUORS

INQUIRY

On the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER (Translation from the French): Before proceeding with the Orders of the Day, I wish to draw the attention of my honourable friend, the able Leader of the Government in this House, to my questions of two months ago concerning the export of intoxicating liquors from Canadian ports. No answer to my motion for a return adopted by this House two months ago has yet been received, although authority for bringing that return has been given. I quite understand that the preparation of such a report requires a reasonable time, and I do not feel like pressing my demand more than necessary; but time flies, and flies very rapidly, and I would ask my honourable friend to make inquiries and to urge the Department to bring the information asked for a few days before the end of the Session.

Hon. Mr. DANDURAND: I may say that my right honourable friend puts his request in such an agreeable form that I can promise him to renew my efforts to obtain the information he desires, and I will attend to the matter not later than to-morrow, to-day being a holiday for the Ministers of the Crown.

THE FLAG OVER THE PARLIAMENT BUILDINGS

INQUIRY

On the Orders of the Day:

Hon. SMEATON WHITE: Honourable gentlemen, I would like to inquire from the honourable leader of the Government for what reason the flag was not flying on the Parliament Buildings this morning; also if it is the policy of the Government to ignore the Senate as part and parcel of Parliament.

Hon. Mr. DANDURAND: I was informed by my honourable friend early this morning that there had been, in his opinion, a breach of the ordinary procedure or custom regarding the hoisting of the flag over the Parliament Buildings when Parliament is in Session. I inquired at once and was informed by the person charged with the duty of raising the flag that it was raised only when the cannon boomed at noon, and that it would be duly raised at that hour.

DIVORCE BILLS

THIRD READINGS

Bill B4, an Act for the relief of Angus Martin.—Hon. Mr. Blain.

Hon. Mr. DAVID.

Bill C4, an Act for the relief of Lester Ernest Greenwood.—Hon. G. V. White.

Bill D4, an Act for the relief of Charles Lawson.—Hon. Mr. Bennett.

Bill E4, an Act for the relief of Margaret Hickey.—Hon. Mr. Green.

Bill F4, an Act for the relief of William John Chenery.—Hon. Mr. Green.

Bill G4, an Act for the relief of Florence Roberts.—Hon. W. B. Ross.

Bill H4, an Act for the relief of Hugh Allan Macdonald.—Hon. W. B. Ross.

Bill I4, an Act for the relief of Wilhemine Christina Slater.—Hon. W. B. Ross.

Bill J4, an Act for the relief of Emma Doris Perley.—Hon. W. B. Ross.

Bill K4, an Act for the relief of Arthur Hill.—Hon. W. B. Ross.

Bill L4, an Act for the relief of Louis White.—Hon. W. B. Ross.

Bill M4, an Act for the relief of Emily Elizabeth Reeder.—Hon. Mr. McCoig.

SECOND READINGS

Bill N4, an Act for the relief of Merlin Englehart Clubine.—Hon. Mr. Green.

Bill O4, an Act for the relief of Victoria Stella Haswell.—Hon. Mr. Pope.

Bill P4, an Act for the relief of Thyrza Ewart, otherwise known as Thyrza Hodgins.—Hon. Mr. Pope.

Bill Q4, an Act for the relief of Rebecca Messer.—Hon. Mr. Pope.

Bill R4, an Act for the relief of John Henry Kirkwood.—Hon. Mr. Willoughby.

PRIVATE BILLS

THIRD READINGS

Bill E3, an Act respecting The Interprovincial and James Bay Ry. Co.—Hon. Mr. Gordon.

Bill 19, an Act respecting The Canadian Pacific Ry. Co.—Hon. Mr. Willoughby.

Bill 38, an Act respecting The Esquimalt and Nanaimo Ry. Co.—Hon. Mr. Green.

Bill 22, an Act to amend an Act to incorporate the Burrard Inlet Tunnel and Bridge Co.—Hon. Mr. Crowe.

SECOND READING

Bill S4, an Act respecting certain patents owned by the Canadian Summer Iron Works, Limited.—Hon. Mr. Barnard.

INDUSTRIAL DISPUTES BILL

CONSIDERATION POSTPONED

On the Order:

Committee of the Whole House on Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I am sorry that the honourable member from Middleton (Hon. W. B. Ross) is not here. He has taken a deeper interest in this Bill than probably any other member in the Chamber. I know that he proposed to present an argument to the Chamber as to the constitutionality of this measure, and I am sure it would have been of advantage to the Chamber to have heard him. I would suggest to my honourable friend that this Order should stand until Wednesday. It has stood for a very considerable time, and the public interest is not suffering by reason of the situation. I understand that my honourable friend from Middleton will be here before Wednesday.

Hon. Mr. BELCOURT: Before the leader of the Government acquiesces or not in my friend's request. I should like to say that I noticed in the honourable member from Middleton evident signs of distress after the short argument that took place the other day on the question of constitutionality, so I hardly expect that he is going to make any argument on the subject.

Hon. Sir JAMES LOUGHEED: He is recuperating.

Hon. Mr. McMEANS: I would like to inquire if an opinion on the Bill has been obtained from the Department of Justice.

Hon. Mr. DANDURAND: I thought I stated the other day that the Department of Justice was of the opinion that it was not for the Federal Parliament to question its authority, more especially as the Court of Appeal of Ontario had pronounced favourably upon the exercise of our powers in this field. I think that is the position taken by the Department of Justice, which was represented before the Courts in Ontario in defence of the constitutionality of the Act, and succeeded before the highest tribunal of that province.

Hon. Mr. McMEANS: Perhaps I am referring to the wrong Act; but I was furnished by a member of the House of Commons with an opinion of the Department of Justice that the Act is ultra vires. If there is an opinion of that kind it ought to be brought down and laid before the House.

Hon. Mr. DANDURAND: Was that statement made in the other House?

Hon. Mr. McMEANS: No; it was an opinion obtained from the Department of Justice by the other House, and sent to me, and I presume sent to every other member.

Hon. Mr. DANDURAND: But I communicated directly with the Department of Justice, and got the information which I have just mentioned. I think I have cited it before.

Hon. Mr. McMEANS: But this was after the honourable gentleman had made the previous statement; it is only within four or five days. I may add that I received communications from parties in Winnipeg on this Act, and I forwarded to them copies of the opinion obtained from the Minister of Justice. I would be glad to furnish the leader of the Government with a copy of the opinion, which was sent to me by one of the members from the city of Toronto.

Hon. Mr. DANDURAND: I do not want to insist on proceeding, but if the only reason my honourable friend has for adjourning the examination of this Bill before the Committee of the House is the absence of the honourable member from Middleton, I would gladly agree that we should go through the Committee stage, and at the third reading, if that honourable gentleman succeeds in convincing us that we are moving beyond our own powers, there will always be time to suspend or adjourn the Bill. I am convinced, however, that as to the merits of the Bill itself there is enough experience and wisdom in the senate as constituted to grapple with it now.

Hon. Mr. BEAUBIEN: I hope the honourable leader of the House will grant the delay. I know that the last time it was postponed the honourable gentleman from Middleton was quite ready to go on with his argument, but he was willing that the Bill should be postponed for the convenience of the honourable member from Welland (Hon. Mr. Robertson), who is taking a particular interest in the Bill. Under the circumstances, surely an adjournment for a few days would not injure the measure. There is noting imperilled, and it would only be rendering to the member from Middleton such courtesy as he has extended to the Senate.

Hon. Mr. DANDURAND: I have no objection to adjourning it until Wednesday if it is understood that we shall discuss the Bill in Committee, because if we must adjourn it from day to day because of the absence of one member, we may be brought to the end of the Session without disposing of it.

Hon. Sir JAMES LOUGHEED: We will dispose of it on Wednesday in one way or another.

Hon. Mr. DANDURAND: Of course, if the Bill is returned to the House of Commons, perchance with some amendment, it will have to be dealt with there. Under the circumstances, I will move that the Order be dis-

charged and be placed on the Order Paper for Wednesday of next week.

The Order was postponed accordingly.

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

THE SENATE

Friday, May 30, 1924.

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

Prayers and routine proceedings.

WINNIPEG EMPLOYMENT RELIEF

INQUIRY

Hon. Mr. McMEANS inquired of the Government:

Is it the intention of the Government to pay its share of the unemployment relief expenses to the City of Winnipeg during the years 1920 to 1923?

Hon. Mr. DANDURAND: The Department of Labour has paid to the City of Winnipeg all amounts outstanding for the years shown and to date:

	1920-21	1921-22	1922-23	Totals
Distress Relief, Civilians..	$51,003 49	$71,170 38	$24,425 33	$146,599 20
Distress Relief, Ex-Service Men..	22,172 02	9,324 67		31,496 69
Excess Cost of Municipal Works.			18,427 80	18,427 80
Totals ..	$51,003 49	$93,342 40	$52,177 80	$196,523 69

Note.—The amount shown as expended in 1922-23 was in payment of the Federal Government's proportion of expenditures incurred by the Municipality of Winnipeg prior to June 15, 1922, and was in accordance with Orders in Council dealing with relief measures in effect during the winter of 1921-22.

In December, 1922, the Prime Minister of Manitoba and the City Clerk of Winnipeg were advised "that the question of Federal assistance to municipalities on the same basis of last winter or otherwise has had the careful consideration of the Government and it is necessary to point out that neither the present Administration nor, so far as can be gathered from the records on file, the late Administration had at any time contemplated that the action taken during the last two years by way of relief to municipalities should be regarded as a precedent for Federal participation in the responsibilities of municipal and provincial authorities, save under conditions comparable to those existing during the winters of 1920-21 and 1921-22, when, over the larger part of the Dominion, unemployment existed on a wholly unprecedented scale. Information reaching the Federal Government does not lead to the view that any situation exists at the present time which is at all comparable to that prevailing during the two last preceding winters, but is, on the contrary, to the effect that industrial conditions generally show great improvement and large sections of Canada are reaping the benefit of a harvest of unprecedented bounty. The situation, therefore, as it appears to the Federal authorities, is not one which justifies action on their part in assuming at present any portion of the obligations falling customarily to the municipal and provincial authorities, and the conditions you indicate as existing in your municipality cannot be regarded as ground for departing from this view." This position has since been maintained.

PRIVATE BILLS

THIRD READINGS

Bill P3, an Act to incorporate Merchants Casualty Ins. Co.—Hon. Mr. Laird.

Bill Q3, an Act to incorporate The Laurentian Ins. Co.—Hon. Mr. Haydon.

Bill 9, an Act respecting The T. Eaton General Ins. Co.—Hon. Mr. Lynch-Staunton.

Bill 23, an Act respecting the Commercial Travellers Mutual Insurance Society, as amended.—Hon. J. H. Ross.

Bill 36, an Act respecting The Northern Life Ass. Co. of Canada.—Hon. Mr. Lynch-Staunton.

Bill 37, an Act to change the name of Imperial Underwriters Corporation of Canada to "Imperial Insurance Office."—Hon. Mr. Pardee.

DIVORCE BILLS

FIRST READING

Bill V4, an Act for the relief of James Koniaris.—Hon. Mr. McCall.

THIRD READINGS

Bill N4, an Act for the relief of Merlin Englehart Clubine.—Hon. Mr. Green.

Bill O4, an Act for the relief of Victoria Stella Haswell.—Hon. Mr. Pope.

Bill P4, an Act for the relief of Thyrza Ewart, otherwise known as Thyrza Hodgins.—Hon. Mr. Pope.

Bill Q4, an Act for the relief of Rebecca Messer.—Hon. Mr. Pope.

Bill R4, an Act for the relief of John Henry Kirkwood.—Hon. Mr. Willoughby.

SECOND READING

Bill T4, an Act for the relief of Dorothy Marie Robinson.—Hon. Mr. Bennett.

LLOYDMINSTER BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 46, an Act respecting the Construction of a Canadian National Railway Line from Lloydminster, in the Province of Saskatchewan, northwesterly 45 miles.

Lloydminster W. Mile 0-45

	Cost
Proposed in 1924—20 miles grade..	$262,500
Proposed in 1925—25 miles grade; 20 miles track..	385,000
Proposed in 1926—25 miles track; 45 miles ballast..	522,500
	$1,170,000

It is proposed in 1924 to grade 20 miles at a cost estimated to be $262,500. In 1925, to add 25 more miles of grade and lay 20 miles of track, at an estimated cost of $385,000, and in 1926, finish the line to mile 45 by laying the remaining 25 miles of track and 45 miles of ballasting, at a cost of $522,500.

The aim will be to eventually reach Bruderheim. The distance between Lloydminster and Bruderheim is about 140 miles. The line runs through a good agricultural country suitable for mixed farming and grain growing, and there is considerable settlement throughout.

The justification for this line is that with the very considerable development now being made in this country, the haul to railway markets is quite excessive. It is estimated that the portion of the line contemplated, when completed, will produce 1,350,000 bushels of grain annually and that the saving to the farmers in road haul would average 20 miles. This figured at ¾c. per bushel per mile, would save the farmers $202,500 per year on grain haul alone. Besides grain it is estimated that 460 cars of in and outbound freight would be handled, consisting of live stock, coal, lumber and merchandise. As all the freight from this line would be of a long haul character, it would contribute largely to the business of other lines of the system.

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

The Senate adjourned until Tuesday next, at 8 p.m.

THE SENATE

Tuesday, June 3, 1924.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

PRESS CRITICISMS OF THE SENATE

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentleman, my attention has been drawn to articles which appeared yesterday in two Ottawa newspapers, condemnatory of a Committee of this House which has under review the Canadian National Railways branch lines. The main criticism is based upon the allegation that our Railway Committee agrees to be advised by officials of the Canadian Pacific Railway as to the necessity or opportuneness of these proposed branch lines.

I deem it my duty to state that that charge is unfounded. The Canadian Pacific Railway officials have only been called to give information upon a couple of Bills—of the nine which have been under review—in order that the Committee may be enabled to judge of the necessity of two competing lines in the same district. As I am in charge of those Bills, I can state that I have no reason to complain of the procedure followed to this date by the Committee.

One of the articles I refer to is couched in the most offensive and abusive language. Parliamentary bodies are assailed from all angles. They must bear with a degree of philosophy strictures just and unjust, but insults are not arguments.

The Senate has the right to ask that it be judged by its work when it is completed, and not before.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I wish to express my concurrence in what my honourable friend has very fitly said with reference to the consideration of the Branch Lines Bills now before the Railway Committee of the Senate. May I say in the first place that the officers of the Canadian Pacific Railway Company have attended before the Committee with reluctance. They have appeared not of their own motion, but through having been summoned by the Committee, and not for the purpose of making any representations as to their own interests, but for the purpose of giving to the Commitee such information as it may require from them from time to time, as to those Bills dealing with territory traversed by both roads.

May I say that I approached Mr. Flintoff, who is the General Solicitor of the Canadian Pacific Railway, and expressed to him the wish of the Committee that he should furnish such information as the Committee might desire, so that they might deal with the very important subject before them more intelligently than if they had no information at all. He expressed not only dissent as to his appearing before the Committee, but likewise the opinion of his Management that it would be very unwise for them to appear, notwithstanding the desire of members of the Committee that they should furnish such information as those members might solicit from them. Never-

theless the Committee insisted on its judgment—and I think it is a wise judgment—that such persons should come before the Committee as would have information upon the subject under deliberation. Hence any officers of the Canadian Pacific Railway who have appeared before the Committee have done so at the instance of the Committee and in order that we might obtain from them such information as we might require, and not to seek their opinion or advice in any sense.

It is unnecessary, by way of indicating the course pursued by the Senate at the sittings of the Committee, for me to say anything; but in dealing with a subject of this kind one might make reference to the fact that the Senate is treated in a rather curious way by a section of the press of Canada. If we do nothing in the matter of criticizing or revising legislation we are charged with being a rubber stamp, and a demand is at once made for the abolition of the Senate as being entirely unnecessary. If we take any action —if we criticize, if we analyze, if we excercise our judgment in the discharge of our duty, we find this section of the press hostile to the Senate for the attitude it takes regarding legislation of this character. In my opinion there have not been before the Senate for some years measures of such importance as those with which we are now called upon to deal, in connection with the Branch Lines Bills. We have before us twenty-six or twenty-seven Bills involving the construction of something like 1,100 miles of railway at a cost which in my judgment may reach at least $50,000,000 before completion.

Hon. Mr. CASGRAIN: The honourable gentleman said $100,000,000 last year.

Hon. Sir JAMES LOUGHEED: I am now fixing the minimum, because it has been insisted that the cost of the undertakings will not reach that amount. In making this explanation I am not criticizing the policy of the Government as to the building of the branch lines, except to say that there are many of them of which the cost is estimated at $40,000 a mile. It seems to be overlooked, in the discussion of this very important subject in the press, that these lines are being constructed with the money of the people of Canada, not with the money of some private corporation on whom we might throw the responsibility of entering upon the project at its own risk. These lines are being built by ourselves. We are taking the money out of the exchequer of Canada to build them. We own the National Railways. We are concerned in the proper administration of those roads, to see that they are not loaded down with too much debt; otherwise they cannot be made a success. I think we are all agreed upon that point. Therefore it is the imperative duty of the Senate of Canada to give the gravest consideration to the undertaking upon which we are about to enter, and in this consideration we are entitled to look for the assistance and support of the press of Canada rather than the hostility or the vituperative criticism of the section alluded to. Are not the Senators of Canada as much concerned in the promotion of the best interests of this country and its development as is the press itself? The concerns of both should be identical in a matter of this kind, and all that the Senate of Canada asks is that the press or at least that section of it to which we refer, should manifest a proper sense of its responsibility, as well as the responsibility which we realize falls upon us in the performance of our duties in connection with these Bills.

I have perhaps said more than I intended in this connection, but I simply wish to point out the duty which falls upon every Senator in this honourable House—the duty of giving the most serious and impartial consideration to these Bills so that the money of Canada may be expended wisely.

Hon. ROBERT WATSON: Honourable gentlemen, I have a word to say with regard to the criticism of the Senate by the press. I think that when the Senate undertook to throw out the Bills of last year they undertook a very grave responsibility, and I am not at all surprised at the public in a great many portions of the Dominion being hostile towards the Senate for their action of last year. At last Session an opportunity was presented to the Opposition to those Bills to pick out the ones from which they dissented; but the Senate said, "No, we will throw out the whole Bill," and all the charters were thrown out. The Government have this year submitted the legislation in different form, each Bill dealing with only one branch. I have heard the proposal advanced that we should call in experts in order to ascertain whether these roads would pay or not. I want to point out to this honourable body the fact that hardly a mile of railroad has ever been built in Canada in the expectation that it would pay in the first few years. Most of our roads were built as colonization roads, when we knew they would not pay. You open up and develop this country by building railways, and you cannot open it up or develop it unless you do build railways. The money expended on them has often to be paid as an advance for the settlement of the country.

Now, while possibly the criticism in the press has been a little severe, and some Senators might resent the statements made, I do hope that when these Bills are considered in Committee and in this House fair consideration will be given to the interests and requirements of the country in regard to these branch lines.

Hon. Sir JAMES LOUGHEED: Do I understand the honourable gentleman to imply that fair consideration is not being given to them? I resent any such statement as that made by my honourable friend from Portage la Prairie. If he does not see fit to support the Senate against attacks of this nature, then I hope he will speak for himself rather than for the Senate of Canada.

Hon. Mr. WATSON: I want to say that in my judgment, and I believe in the judgment of the country, fair consideration was not given to the Bills last Session, when the whole programme of the Canadian National was thrown out because objection was taken to two or three Bills. I hope that this Session we may not be subject to the criticism of having thrown out a lot of Bills simply because some people object to some of them. Whether I believe in Government ownership or not, I am one of those who consider that at the present time we ought to give the Canadian National a fair show. It is not fair to deprive the Canadian National of the means of building branch lines into certain territories while allowing its competitors to get in first. I do hope that this Session we may not be subject to the criticism that I think we deserved last Session in rejecting all the proposals made without any reasonable excuse.

Hon. Mr. DANDURAND: Honourable gentlemen, I hope that we shall not pursue the discussion as to the merits of the Bills. They are before the proper Committee, and I think that the work done there and in the Senate will commend itself to the country.

Hon. Mr. McMEANS: I think the honourable gentleman from Portage la Prairie should withdraw his remarks.

Hon. Mr. DANDURAND: The honourable gentleman spoke of last year. We are now discussing the action of the Senate this year.

Hon. Sir JAMES LOUGHEED: No, he has gone further than that: he has cast a serious reflection upon the action of the members of the Committee in considering those Bills during the present Session, and he owes an apology to that Committee and to the Senate for the statement he has made.

Hon. Mr. DANDURAND: I think that when my honourable friend reads the remarks as taken down he will find that the honourable gentleman from Portage la Prairie was addressing himself to the action of last year.

Hon. Sir JAMES LOUGHEED: No, I do not accept that statement.

Hon. Mr. McMEANS: Honourable gentlemen, if any public body in Canada was ever justified this honourable body was for its action last year. The proposals were introduced here on the very last day of the Session, involving a possible expenditure of $100,000,000 of public money. We had no information. We were told that none of those lines could be built out of the grant of $72,000,000 that had already been voted. On one or two occasions, in the city of Winnipeg, I have been called upon to make some explanation about those Bills, and when I produced the Senate Hansard and explained the conditions under which they were introduced into this House, and the clauses which they contained, everyone to whom I spoke said that this honourable body was perfectly justified. The honourable gentleman from Portage la Prairie is talking only party politics when he says that this House was not justified in rejecting those measures. I inquired of the honourable leader of the Government last Session whether or not any branch lines could be built out of the grant of $72,000,000 that had been voted, and I could not get from him a positive answer. Sir Henry Thornton, I think, stated in the city of Winnipeg that he was advised by his solicitors that no branch lines could be built, and that this honourable body had stopped the building of all branch lines. I asked the honourable leader of the Government last year how much money had been spent upon the cut-off, and the answer was $150,000. This year I asked the same question, and I find that the whole line was completed in the month of December, about six months after my inquiry, and that nearly $1,000,000 was spent upon it. In the face of such facts as these, the Senate was expected last year to pass a Bill introduced on the last day of the Session involving an expenditure of public money amounting to nearly $100,000,000, at a rough estimate, and containing a clause providing that there would be no control over it for three years. The press of this country has absolutely misrepresented the action taken by the Senate last year. If anything justified that action it was the fact that on the Government side of the House only ten honourable members voted for the Government's Bill. All of them with the exception of a few extreme partisans like my honourable friend from Portage la Prairie recorded their votes against that Bill. Still

the honourable member has the hardihood to rise in the Senate and make the statement he has made. I am surprised at him, and I think he ought to withdraw his statement. He owes an apology to this House.

DIVORCE BILLS

FIRST READINGS

Bill W4, an Act for the Relief of Philip R. Marshall Palmer.—Hon. Mr. Haydon.

Bill X4, an Act for the Relief of George Felix Simpson.—Hon. Mr. Bennett.

THIRD READING

Bill T 4 an Act for the Relief of Dorothy Marie Robinson.—Hon. Mr. Bennett.

WAR WITH TURKEY

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Has a state of war existed between Canada and Turkey within last ten years and if so.
2. Was the state of war between Canada and Turkey set forth in any declaration, proclamation or other document published by the Government of Canada for the information of the people of Canada within the last ten years. If so, quote the document.
3. If a state of war has existed between Canada and Turkey within the past ten years, has such state of war been terminated and if so, by means of what Treaty of Peace or by what other means has the said state of war been terminated.
4. If a state of war exists between Canada and Turkey, what offensive or defensive action does the Government propose to take.
5. If a state of war exists between Canada and Turkey and the Government does not propose to take any offensive or defensive action, does the Government propose to terminate the state of war by Treaty of Peace or otherwise.

Hon. Mr. DANDURAND: I answered my honourable friend on the very day he gave notice of his inquiry; but for his fuller satisfaction I may say that my answer has the approbation of the whole Cabinet, including the Prime Minister. I suppose that will be satisfactory to my honourable friend.

Hon. Mr. GRIESBACH: Quite satisfactory.

INTOXICATING LIQUORS STORED IN HALIFAX

INQUIRY

Hon Mr. TANNER inquired of the Government:

1. What is the value and quantity of intoxicating liquors entered or stored during each of the years 1921 to 1924 inclusive of each year in bonded warehouses in the City of Halifax, Nova Scotia?
2. What is the value and quantity of such intoxicating liquors exported from Canada in each of the said years?
3. To what countries were the liquors exported?

Hon. Mr. McMEANS.

Hon. Mr. DANDURAND:

		Gals.	Value
1.	1920-21	50,185	$ 153,938
	1921-22	23,318	130,912
	1922-23	69,449½	663,708
	1923-24	134,058	2,415,050
2.	1920-21	50	278
	1921-22	Nil	Nil
	1922-23	5,911	43,309
	1923-24	18,404	149,363

3. Exported to St. Pierre-Miquelon; Havana, Cuba; Nassau, Bahamas.

BONDED WAREHOUSES IN HALIFAX

INQUIRY

Hon. Mr TANNER inquired of the Government:

1. What persons or companies in the City of Halifax, N.S. are authorized by the Department of Customs and Excise to conduct bonded warehouses for intoxicating liquors?
2. When was each one first authorized?
3. (a) Did the Government of Nova Scotia approve or recommend the establishment of such bonded warehouses, or any of them? If so, which ones? (b) On what dates respectively did the Government of Nova Scotia approve or recommend establishment of each of the bonded warehouses?

Hon. Mr. DANDURAND:

1. The persons or companies indicated in following statement showing (a) names, (b) date of first authorization, and (c) date of consent of Provincial authority, viz.: Board of Vendor Commissioners, April 30, 1921; Atlantic Import Co. Ltd., November 16, 1922, November 13 1922; Francs Canadian Import Co., Ltd., June 26, 1923, June 25, 1923; Forsyth L. A. & Davison, J. M., October 30, 1922, October 6, 1922; Furness, Withy & Co., Ltd., August 15, 1923, July 13, 1923; Morse, J. E. & Co., February 25, 1920, January 30, 1920; Naval Store Officer, H. M. Dockyard, May 2, 1921, April 20, 1921; Royal Mail Steam Packet Co., February 12, 1921, February 4, 1921; Scotia Import & Export Co. Ltd., November 25, 1921, November 19, 1921; Silver, H. R. Ltd., February 2, 1924, December 18, 1923.

2. Answered by No. 1.

3. (a) In the Province of Nova Scotia the Chief Inspector under the Nova Scotia Temperance Act is recognized as the proper provincial authority to give consent. The consent of this official has been obtained in all cases except that of the Board of Vendors Commissioners which is a Provincial Government Board. (b) Answered by No. 1.

THE LEAGUE OF NATIONS

THE DEBATE CONCLUDED

The Senate resumed from May 27 the adjourned debate on the inquiry of Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to the operation and activities of the League of Nations for the past year and inquire if the Government have considered the advisability of furnishing the Members of Parliament with the monthly summary of the League of Nations and the annual report to the Assembly on the work of the Council and the Secretariat and on the measures taken to execute the decisions of the Assembly.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I rise with extreme diffidence to speak on this most important question, because the angle from which I approach it may not be popular in this House, because I shall probably be alone in the views which I hold—at any rate, in expressing them—and also because I am following the very eloquent speech made by the right honourable gentleman who introduced the question. Everyone here knows that he has been for many years a past master in the art of oratory. In another place he was considered the foremost debater of his party, and in this House, I am sure, everybody will admit that he has no superior. He dealt many hard blows in another place, and received equally hard ones in return; but in this peaceful haven of rest he has mellowed, and now he is satisfied with academic discussions on the League of Nations. The right honourable gentleman has made many speeches on the League of Nations, and we all hope that he will live to make many more.

I listened with the greatest of care to the right honourable gentleman, and I recognized in his speech many old friends. There was one which he forgot to omit, and which he took great pride in speaking about, namely, the settlement of the Aland Islands dispute. As honourable gentlemen know, the Aland Islands are situated in the Baltic, right at the entrance of the Gulf of Bothnia, half way between Finland on the East and Sweden on the West. They cannot be very important, because I have looked in vain in many geographies and even in the encylopaedia, to ascertain what their population is. I am told it is about 3,000. The League of Nations actually settled that most difficult question and prevented a war between Finland and Sweden. Well, such a war could not have lasted very long. We know that Sweden has a few millions of people, while Finland is a very sparsely settled country. Finland has practically no agriculture; she has some forests; but I do not know that she ownes a man of war that could go out to the Aland Islands to carry on a war. However, that is one thing we must give the League of Nations credit for: it prevented that war.

Now, I want to assure the House that I speak with absolute sincerity, and that, although I do not expect to convince others, I am absolutely convinced in regard to this matter. I am giving this House, not my own opinions, but the opinions of prominent men that I have gathered from reviews and speeches and articles written by them. I may say that at first I was rather friendly to the League of Nations; I thought it might be an excellent thing, and was preparing a speech to deliver in this House on the question. At that time I consulted our illustrious and lamented leader, Sir Wilfrid Laurier, who told me to go to the library of Parliament and there ask his friend Decelles to give me the Treaty of Perpetual Peace by l'Abbé de Saint-Pièrre. I hold in my hand at this moment that book, which was published in 1741. There are sixteen volumes preceding this one, which were published in the twenty years preceding 1741. They are all on the subject of universal or perpetual peace, and, although they are nearly two hundred years old, they do not seem to have been used very much, because this book is in good condition still, and anyone can go to the library and see the sixteen volumes. The binding must have been very good in those days.

Only to-day in my office I was in conversation with the Right Honourable J. C. Doherty, who, in speaking about this book, said that l'Abbé de Saint-Pièrre had shown it to one of the Cardinals who was then an active Minister in the Government of France. He left it for the Cardinal to read and came back some weeks afterwards to get the Cardinal's opinion, who said: "My dear Abbé, this is perfect: there is nothing better: I could not add anything to it, nor take anything from it. It is perfect, but there is just one thing: this League of Perpetual Peace that you speak of is made not for men, but for angels." Sir Wilfrid Laurier also, in the conversation which I had with him, said that the League of Nations was a very beautiful dream, and his opinion was almost identical with that of the Cardinal mentioned by Judge Doherty.

Sir Wilfrid also spoke of Hugo Grotius, who instituted a league which was infinitely better than ours, because it was a league that would have had sanctions. His league provided for armies. Each one of the great houses of Europe and every Christian prince of the time, would have contributed a certain number of men to an international army; and in the event of differences the league would have rendered a decision, and this army would have been available to enforce that decision. We have no such provision in the present League. The book written by Hugo Grotius, "De jure belli et pacis"—on the laws of war and peace—is familiar to legal gentlemen, who know all his works.

I have made a long study of all the covenants made in times past, and I find that the present one lacks this essential which all former schemes had: the power to enforce decisions. What would be the good of a court or a judge rendering a judgment if there were no sheriff to execute that judgment? The League, so far as I am aware, has absolutely no power to enforce its decisions. I do not know that the League could even issue a very humble subpoena to compel the attendance of anyone. I do not know that it could force people to give evidence under oath.

Earl Birkenhead, who was formerly High Chancellor of England, attended a banquet in Montreal. The host stated that at a small caucus of prominent members of the House of Lords and the House of Commons, held during the time when Lloyd George was Prime Minister of England, he told those present that Earl Birkenhead had the greatest mind that he had ever known. At that banquet the Earl of Birkenhead—I myself heard him—spoke of the absolute futility of the League, going so far as to say that the United States of America were justified in not joining it.

The right honourable gentleman (Right Hon. Sir George E. Foster) spoke of Vilna, but did not say very much about it. The League of Nations, desiring to settle that vexed question, appointed Mr. Paul Hymans, who is at present, I think, Foreign Minister of Belgium, and a very prominent statesman in Europe, as an arbitrator to settle the difficulty between Lithuania and Poland. Mr. Hymans held court for a long time and then rendered a judgment. That judgment was disregarded by both parties. He tried again, and some time later rendered another judgment, but it did not suit. Finally he rendered a third judgment, which was disregarded, like the two previous ones. You see, therefore, an arbitrator appointed by the League whose decisions are disregarded. As recently as the 14th day of March, 1923, the Council of Ambassadors, consisting of four old diplomats in Paris, defined the eastern frontier of Poland and gave it Vilna. Again a success for the old diplomacy and a failure for the League.

One point that the right honourable gentleman made in referring to Geneva was the settlement of the boundary of Upper Silesia. Well, both parties had agreed to abide by the decision, whatever it might be. Great Britain and France, on that one point at any rate, were agreed, and they arranged that the verdict should be accepted by both parties. This is the settlement of which the League is most proud. Well, it is easy for the League to be proud of that, because, as I will show you, it is really the only one that was a success and was accepted. Although the right honourable gentleman spoke at length on this question and took great comfort for the League, the fact is, as stated in an article by Mr. Stephen Lauzanne, that if that question had been submitted by mutual consent to the Supreme Court of the United States, or to the Pope of Rome, just as good an award would have been given, and it would have been accepted by both parties.

During the years 1921 and 1922 the League was absolutely indifferent to the events that occurred in Asia Minor. As we all remember, Greece at one time invaded a great part of that territory. Men and women were slaughtered by the thousands. Smyrna was burned. The Greek fleet was in the roadstead of Smyrna. The League did absolutely nothing—no, I cannot say the League did absolutely nothing; they did something; they made an inspection of the harems.

Another case was that in which Chili made war on Bolivia, and Bolivia was badly defeated and compelled to sign a treaty which it considered to be unfair, and which entirely eliminated Bolivia from the sea.

Hon. Mr. BELCOURT: Was Chili a member of the League?

Hon. Mr. CASGRAIN: Yes, they were both members. The war took place before the intervention of the League.

Hon. Mr. BELCOURT: Chili was never a member of the League.

Hon. Mr. CASGRAIN: They are members now.

Hon. Mr. BELCOURT: No, they are not now.

Hon. Mr. CASGRAIN: The honourable gentleman has the book there, and he can look it up. Chili said that the Monroe doctrine reigned supreme in America; therefore hands must be kept off Chili and Bolivia. But there is in the Covenant an article of only three lines, Articles 19 which provides:

> The Assembly may from time to time advise the reconsideration by members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

There was the article upon which Bolivia relied for redress with regard to the treaty, which it considered an injustice. There are other articles providing for redress regarding treaties made under duress, etc. However, in this case there was no verdict whatever.

We have here in America another League, with its headquarters in Washington. It is composed of the United States of America, of the 22 republics of South America, and of Mexico. It has a magnificant building in Washington, which I hope to see the next time I go. A permanent secretary is kept there, and the sittings are held in a beautiful big hall in which are displayed in golden letters the names of all the countries in America. There is in that hall a vacant seat for Canada. Our neighbours to the south have plenty of assurance. The Secretary of that League actually came to Montreal, where a dinner was tendered him in the Windsor Hotel. He came to invite Canada to join the Pan-American League. I happened to be at the table of honour, and replying to the speech of the Secretary, I told the gentleman from the United States that he might have saved himself a trip; that we had an Ambassador at Washington and our international dealings with any foreign country were carried on through the British Ambassador; that Canada, being a Dominion of the British Empire, could not enter into any such arrangement without the leave of England.

A great deal has been made of the fact that there are fifty-four nations in the League of Nations. Well, fifty-four may seem to be a large number, but in the world to-day, now that Austria has been eliminated as a big power, and has but a comparatively small population, there are only seven great countries, called the powers, the others being called states. Of the great powers there are Great Britain, France, Japan and Italy in the League, and there are the United States of America, Germany, and Russia outside. Those seven powers rule the world. And, mark you, in the fifty-four nations the British Empire is counted as six; so that, as the League of Nations is supposed to comprise sovereign states, the number should be reduced to forty-nine. Counting only the white people, there are in the British Empire, including Australia, New Zealand, South Africa, Canada, and the United Kingdom, not much more than sixty millions of people. France has 40,000,000, Italy 30,000,000, Japan 50,000,000. That makes 180,000,000. Of white people not in the League there are: Germany with 60,000,000, the United States of America with 115,000,000, and Russia with 160,000,000; or a total of 335,000,000. The right honourable gentleman (Right Hon. Sir George E. Foster) wanted the impression to prevail in this House that nearly all the nations belonged to the League because there are fifty-four represented; but, you see, there are nearly as many outside the League as there are in it. Supposing that in the world there are between five and six hundred millions of white people, more than one-half of them are outside the League. That is a very interesting point.

The right honourable gentleman spoke of Mussolini and the Corfu incident. Mr. Stephen Lauzanne, writing in the North American Review of November, 1923, gives a very different account from that given to us by the right honourable gentleman in this House; and Mr. Lauzanne's version comes straight from Mussolini. You remember the incident regarding the defining of the boundaries between Albania and Greece. General Tellini had been appointed, not by Italy, but by the Allied Governments, and he was accompanied by four engineers and a few other men. They were fixing the boundaries along the Albanian frontier. It is admitted that the Greeks displaced some of the boundary posts, but it has never been proven, and it is yet uncertain that the Mission was massacred by the Greeks, or that the Greek Government aided or abetted the massacre, or that the Greek nation knew anything about it; but Mussolini, contrary to every rule of the Covenant, flying in the face of the League of Nations, ordered the fleet to Corfu on August 31, and Corfu was taken. Under Article 16 of the Covenant, Italy by that action declared war on all the other members of the League. That fact has been corroborated by a gentleman who is about to visit Canada—who is now in Montreal—Mr. Frederick Whelen, who says that when the army of the Kingdom of Serbs, Croats and Slovenes invaded Albania, the League remonstrated with that Kingdom declaring that by their invasion of Albanian territory they would be declaring war upon all the fifty-three other nations. On receiving that intimation, the Serbs, Croats and Slovenes actually withdrew their troops, and thus the conflict was prevented. I heard that statement of Mr. Whelen's on Sunday night last, over the radio in my own house. However, Mussolini apparently did not care for the League of Nations, because not only did he make an invasion, but he bombarded Corfu and when it hoisted the white flag he took possession. The correspondent who was sitting in Mussolini's room on that day, engaged in conversation with him, saw a telegram come in. Mussolini was perfectly calm. He read the telegram and simply said: "Bene! Molto bene!"—"Good, very good," and communciated the dispatch. It was the announcement that Corfu had been taken. The cor-

respondent hinted to Mussolini that England might not be pleased; that England had been the Protector of Greece from time immemorial, and so on. Mussolini was not at all excited, but remained as calm as if he had been talking of things that had happened years before. He said that in 1850 the Portugese Jew, Don Pacifico, a British protege, had a store in Piraeus, and during some riots there his store was looted. Don Pacifico demanded 800,000 drachmas and tried to establish his claim in the courts, but the courts ruled against him. He laid his grievance before the British Government—I suppose, through the Ambassador to Greece. Lord Palmerston immediately ordered the British fleet under the command of Admiral Parker to proceed to Piraeus, and it seized two hundred Greek ships. When that news reached England the Lords were rather adverse to such high-handed procedure, but Lord Palmerston appealed to the Commons in his memorable four-hour speech and carried the day. It was a wonderful speech and he received a tremendous ovation. It was on that occasion that he declared that in olden days it was sufficient for a man to say, "Civis Romanus sum," and to-day, "Civis Britannicus sum"—"I am a British subject"—should insure the safety of anyone no matter in what part of the world. The enthusiasm was so great that Peel, his rival, cried out in admiration, "He makes us all proud of him." Mussolini added: "If England, for the sake of a Portugese protégé, can take two hundred ships for 800,000 drachmas, how many islands can Italy take for 50,000,000 lire and the massacre of the entire Mission?"

But the correspondent was insistent upon the League; so he asked again: "Signor Mussolini, why will you not let the League arbitrate? Yours is a big, powerful country, while Greece is comparatively a very small one." Mussolini answered simply: "Because there is nothing to arbitrate." Mussolini, from what I have read, is looked upon as one of the greatest Latin geniuses since Napoleon; and anyone who reads his life will be astounded at what he learns. The telephone rang and Mussolini put the instrument to his ear; he turned very pale and became very excited, and said: "E terribile; E un giornata nera"—"It is terrible; this is a sad day indeed"; and cried like a child. The correspondent thought some great catastrophe had taken place, but it was simply news that four aviators had been killed by an accident. The correspondent asked: "Why don't you go to the League?" Signor Mussolini said: "The League is not qualified to arbitrate between Rome and Athens; Geneva has not the spirit of an arbitrator."

As the right honourable gentleman has said, before the League of Nations Signor Salandra defended the action of Italy, and M. Politis pleaded for Greece, Matters were getting near the stage when there was going to be a serious division in the League of Nations. As the League did not dare to touch such a difficult question, it was again referred to the Council of Ambassadors, and was decided in favour of the larger nation Italy, and the most humiliating conditions were imposed on Greece, the smaller country. First, there was to be a military demonstration; the Greeks were to bow to and salute the Italian forces. Further, a High Mass was to be sung in Athens for the repose of the souls of the victims who had been killed, and all the officials of the Greek Government ,regardless of the faith to which they belonged, were to be present, and in addition 50,000,000 lira were to be paid over immediately. When Signor Mussolini obtained all these concessions, he was almost ashamed to take the money. He could not very well hand it back to Greece, for that would have been adding insult to injury, so he resurrected the old Order of the Knights of Malta, which flourished during the middle ages, and which still had some members which he was able to find, and handed them a large sum of money and told them to proceed to Corfu and to pay for some of the damage done.

Then the Right Honourable Robert Cecil—a descendant of the great houses of Cecil, Burleigh and Balfour, and coming from a family that had given statesmen from the time of Queen Elizabeth—with all the prestige attached to his name, rose slowly in his place—and those who have seen him know how tall and how quaint looking he is—and solemnly asked that the articles be read. After the articles had been read, towering over all others, he spoke these simple words: "If the Treaties are not observed, Europe no longer exists." There was a great demonstration—ladies waving their handkerchiefs, and cheers and so on—but no one knew better than Robert Cecil himself that the Treaties were not being observed. Still, Europe continues.

Under Article 227, what do we find? It says:

> The Allied and Associated Powers publicly arraign William II of Hohenzollern, formerly German Emperor, for a supreme offence against international morality and the sancity of Treaties.
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> A special tribunal will be constituted to try the accused, thereby assuring him the guarantees essential to the right of defence. It will be composed of five judges, one appointed by each of the following Powers: namely the United States of America, Great Britain, France, Italy and Japan.
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> In its decision the tribunal will be guided by the highest motives of international policy, with a view to vindicating the solemn obligations of international un-

dertakings and the validity of international morality. It will be its duty to fix the punishment which it considers should be imposed.

The Allied and Associated Powers will address a request to the Government of the Netherlands for the surrender to them of the ex-Emperor in order that he may be put on trial.

Was such a request ever addressed to the Netherlands? Are we not right in saying that the League of Nations has not kept faith with us, with the enemy, or with the world, in spite of the fact, that twenty-seven nations had signed that Article? Europe continues to exist, in spite of what Robert Cecil said.

It may be said that these are the opinions of men on the other side of the Atlantic; but we have people on this continent who have expressed opinions on this subject. I have taken the trouble to gather together opinions from some of the most prominent and reliable reviews. There is a Mr. Otto H. Kahn. Who is he? Mr. Kahn is a prominent American—a 100 per cent American, not a hyphenated American as his name might indicate,—he is immensely wealthy; his country estate on Long Island is better than most of the palaces one sees abroad, and his New York residence is one of the famous Fifth Avenue family homes. He has been decorated by France, Spain and Belgium; he has given immense sums to charity; he is President and Director of some of the largest financial houses in America, and is a respected banker. Mr. Kahn published, in the Nation of November 3rd, 1920, an article entitled, "The Failure of the League." I am not going to read the article, but will give you a short summary. He says in this article that President Wilson insisted on the Covenant of the League of Nations although the other treaty-makers were against it. My honourable leader (Hon. Mr. Dandurand) knows very well that some of the representatives of France, with whom he is well acquainted, were absolutely opposed to the Covenant. However, as I say, the President of the United States wanted it. Woodrow Wilson had been a genius.

During the war, before an immense audience at the Monument National in Montreal, Sir Wilfrid Laurier said that the people of the United States of America were a fortunate people; that Providence had given them men able to cope with all their great crises. At the time of the Revolution they had George Washington; during the Civil War between the North and South they had Abraham Lincoln; and lastly, during the great war, they had Woodrow Wilson. No greater tribute could be paid to an American citizen than that of Sir Wilfrid Laurier, when he compared Wilson to Washington and Lincoln.

"De mortuis nil nisi bonum"—never speak disrespectfully of the dead. But is it disrespectful to say that Woodrow Wilson was worn out bodily and mentally? He was sixty years of age. It is only necessary to read "The Last Phase" by Lord Roseberry, to know that at forty-five the great Napoleon, for the same reason as Woodrow Wilson, was diseased in mind and in body. Otto Kahn says he was irritable and would listen to no one; he would not consult even the Senate, from which he had no mandate, and which was supposed to approve of his action. If honourable gentlemen want to substantiate what I say in regard to the health of President Wilson, all they have to do is to read the book of Lansing, who was Wilson's Secretary of State.

President Wilson wanted the Fourteen Points. Clemenceau it was who said: "Fourteen points? That is a great deal. The Almighty Himself was satisfied with ten commandments." My leader here (Hon. Mr. Dandurand) knows that Clemenceau was against the League, and he knows also that in conversation with Woodrow Wilson, Clemenceau once said: "You have a Senate, and I have a House of Deputies; supposing this does not carry, what then? We must take some precautions." In order to assuage Wilson's scruples some of the English Treaty-makers gave in. They said: "There is nothing else to do; we cannot get the United States to come in unless we put the Covenant in the Treaty." And this is the burden of my remarks—a simple, ordinary treaty, would not have caused half so much trouble.

But Mr. Kahn continues:

The Treaty did not make good its pledges, not even to ourselves, and less to the world. This instrument is made for political dominion. There has been no disarmament, and where is the freedom of the seas today?

It is an iron-clad instrument which cannot be modified except with the unanimous consent of the fifty-four nations who are members of the League. What chance is there of unanimity among fifty-four nations? Sir Lomer Gouin knew that one dissenting party was sufficient to upset all the work of a session of the League—and, as Mr. Kahn says:

It is asking too much of the League to give perpetual peace with such a Treaty. The League Covenant is insincere, ineffective, and unsuited for peace and international justice; the Leagues breeds misunderstanding, irritation and ill feeling among nations.

See the speeches of Senator Harding, who became President of the United States, delivered on August 28 and October 27. In the Nineteenth Century of April 21, there is an article by J. D. Rees, in which he says that the League of Nations is a fertile breeder of

strife; that League postulates other Leagues; and that there were divergences on points of substance between France and England from the very start, and only the consummate ability of Mr. Balfour was able to prevent a break-up of the whole League and reconcile the parties to it. It was his great skill that saved the League on that occasion.

The strange thing is that in all these documents the name of the United States comes first, and yet the United States is not in the League. I suppose it is "adhuc non res, sed spes est"—"it is not in it, but there is hope yet."

Notwithstanding the League of Nations, President Harding thought it necessary to have a big navy. General Sir Herbert Lawrence, who is quoted as an authority, thought that if the League had existed in 1914, Britain would have joined Germany, because, he said, most nations are small and have no interest in Britain's affairs, and Britain must depend on her own right hand. Ambassador Davis said: "A super-Government is contrary to all we cherish, and can have no sanction by our republic." General Pershing, in an address to the Canadian Club in Montreal said, before an audience of over a thousand persons, that at first the intention was to have an international army and navy, but that the idea had had to be abandoned; and he said that when that idea was abandoned the League became powerless.

If there is anything forceful at all in the League it is the famous article 10. It consists of only five lines:

> The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression, or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

And, mark you, the French version is still stronger: instead of "shall" it says "does."

The Right Hon. J. C. Doherty—I think he was in company with the right honourable gentleman who introduced this resolution (Right Hon. Sir George E. Foster)—moved to have article 10 struck out of the Covenant entirely. It was contended, however, that this was a serious question; and as the Session was advanced the matter was put off till the following year. Mr. Doherty returned the following year, thinking he had many adherents; however, there was no result. Then there was a change of Government in this country, and I think it was the Right Honourable Mr. Fielding and Hon. Mr. Lapointe, who represented us. They did not ask to have Article 10 stricken out, but simply to have an interpretation placed upon it. The following year Sir Lomer Gouin and Hon. George P. Graham were our representatives. They took the matter where it had been left. I do not suppose they were in a position to talk of striking out the article, because they would have been told: "Your own Ministers did not ask for that last year." But after all what is an interpretation? It is simply an endeavour to make something say what it does not say. A document must be very badly drawn if people cannot understand it without the interpretation being written at the bottom.

However, as I have said, if there is anything in the League, it is dependent on Article 10. What is a territorial aggression? It is an invasion—an army of one country coming into another country; and if there is any one thing that will prevent such an army going further, it is another army. Article 10 says: "The Council shall advise upon the means by which this obligation shall be fulfilled." The only way to fulfil this obligation is to have an international army; otherwise Article 10 means nothing. Sir Lomer Gouin made a speech in regard to this article, and caused something of a sensation, and succeeded in having the Article referred back to the Committee, where he made another speech, carrying the Committee with him. Then the matter was referred back to the Assembly, and no one said a word until the representative of the Shah of Persia objected. Now, what the representative of the Shah of Persia had to do with that, I don't know; but he exercised his right, and objected—and because of the ironclad constitution of the League, which said there must be unanimity, the whole thing fell to the ground.

There has always been some question in my mind as to who put up the Shah of Persia to object. But evidently he was allowed to have his own way. The last hurdle was the one that was hardest to jump, and it is doubtful that Persia paid her dues. If they were paid, who paid them? And who saved Persia from the Bolsheviki? Who owns and controls Persia's railways, her oil wells, etc?

However, if Persia had not taken that stand, perhaps it would have been taken by the King of the Hedjaz, that sovereign who reigns along the east coast of the Red Sea, near Perim and Aden—and he never goes far from the coast, because if he went back into the mountains, among the wild tribes there, he would never come out alive. He has his kingdom, but does not police it very well, Perhaps, he would have done the thing, or, again, Portugal, another nation under control, might have helped those who wanted it done.

In that great assembly which the United States were asked to join, and of which we

are members, the United States would have one vote, just the same as the negro Republic of Liberia. It is all very well to say that all are equal, but, honourable gentlemen, the ideal and the real will not mix. The statement has been made by a prominent English authority that if the Declaration of London had become law the war would have been lost. I do not know about the result of the war, but apparently that is generally admitted. Small nations without navies would probably have been in favour of the Declaration of London. But here, honourable gentlemen, is the most serious part of it. What is the position to-day? On May 21st, 1924, in the Revue des Deux Mondes, a highly esteemed journal, and one of the oldest, having some years since passed the century mark, there appears an article by Captain Fonck. The Prussian Clausewitz, in his book on War, writes: "One cannot introduce into the philosophy of war a principle of moderation without committing an absurdity." This Prussian axiom proves that Germany never meant to consider treaties as being any more than scraps of paper. They were good only to restrain her enemies.

Germany has even now decided what the coming conflict will be. It is to be an aero-chemical war. She is preparing feverishly now to destroy her prey at the first blow. There will be no declaration of war. General Von Hoeppner another German author, who has written, "Germany and Aerial War," states that Germany has kept virtually all her air forces and will soon be able to take a glorious revenge. She has factories for planes, etc., in Spain, in Switzerland, in Italy—nay, even a $30,000,000 plant right in the United States of America. Those are ostensibly naturalized industries, but they are working absolutely for the Germans, with German money. In Germany all the machines and tools are ready. None have been destroyed. The Germans have been using some of this machinery in the arts of peace, but they are ready now to be used for the purposes of war. At the Armistice there were in Germany 150,000 skilled workmen who had made 48,000 planes. How fast they will manufacture them! Germany has just ordered, all at one time, 1,500 planes from one of her most powerful branch factories outside of the Fatherland. This is a serious situation. Some people have said that France was militaristic and had a great air force. English newspapers were much concerned about the air forces of France, and it was declared in England that France should be restrained. All that France has is 1,620 machines, yet here is Germany getting, at one fell swoop, 1,500 planes outside of her own territory. Recently immense plants have been started in Moscow by German engineers and there are other big factories in other parts of Russia. The idea is that these big air forces will join together, an attack will be made at night, without a declaration of war, and torpedoes, incendiary bombs, and poison gas will destroy cities before morning. Some may be sceptical about this, but remember, honourable gentlemen, the 22nd day of April, 1915, when asphyxiating gas was used for the first time and our boys suffered so much. The son of one of our late colleagues, Sir George A. Drummond, was killed on that day. Remember that it took five months for us to be able to retaliate against the Germans by using gas. From that day on chemical warfare was decreed and established. In 1917 the Germans used mustard gas. How long do you think it took us to get mustard gas? It took eleven months before we could get it and use it. A long time is required, first for invention, secondly for production, and thirdly for use. Why has Germany led in this way? Germany has led for no other reason than that her immense dye works use practically the same products as are used in the making of explosives, poison gas, toxic gas, etc. The Chicago Daily News sent Mr. Constantin-Brown recently to Germany to observe and report upon the military situation. He came back with a long report, which can be found in the Chicago Daily News. He said that the Germans were preparing feverishly, working as hard as they could, for a war of revenge.

Is this the time, honourable gentlemen, to talk to the Germans of perpetual peace? No further time should be lost at Geneva. If we allow Germany to get this start, Germany will be irresistible. Wisdom dictates the formation of an inter-allied air force, the expenses to be divided among the allies. Lord Thomson, in the British House of Lords, only the other day, said that the Labour Government, although pacificist, and recognizing the folly of war, had enough sense to wait for general disarmament before giving up the means of defence. Idealism must agree with common sense. Before another year Great Britain will have fifty-four squadrons, each with hundreds of machines of the most powerful type.

Commander Burney, M.P., in the Sunday Times of February 24th, said that England could not pay for naval and aerial armament any longer; that financial aid must be immediately asked from the Overseas Dominions. We are giving Germany a breathing spell.

Germany at present has no food, not enough for the army, and no credit: her money is worthless. This is the time. "Si vis pacem, para belium"— "if you want peace, prepare for war."

In order that you may see, honourable gentlemen, how long I have been studying this question, I desire to quote from a statement which I made in the Senate on October 1st, 1919, for it is entirely apropos:

> Then there will be a Treaty with Turkey, saying that the Turks will be allowed to remain in Constantinople, because we have a good many friends amongst the Mahometans. But I believe that we shall never hear of the ratification; I think we shall consider that King George is quite able to ratify it, and will say that it is all right for him to do so.

That was on the 1st of October, 1919, as printed in Hansard, and I think the event has turned out pretty much as I predicted. It shows how long I have been studying this question, and at the same time it shows that we are bound by all the articles of the Covenant.

I might refer honourable gentlemen for their information to the Living Age, volume 32, of 1923, in which it is stated that the League of Nations is a court or club; also to Stephen Lauzanne in the same paper, volume 1920, by Marcelino Domingo, page 443. Honourable gentlemen can find it in the Library.

I desire now to refer to the Department known as the International Labour Organization, which is run under the direction of that notorious socialist, Mr. Albert Thomas. Mr. Thomas is very much in favour of the League of Nations.

The yearly expenditure of the League is more than $4,600,000. Out of that, there is appropriated for the International Labour Organization $1,400,000. The money is handed over to this Organization, and the League of Nations appears to have absolutely no control over the expenditure. In fact, the League of Nations is just a collecting agency for Mr. Albert Thomas and his department and it is Mr. Thomas who is calling for the creation of another reserve fund on which he may draw to make up the deficits caused by all kinds of questionable expenditure.

Mr. Thomas's salary from the Organization is $18,000 per annum, and in addition to this he is paid another $17,000 per annum for what is put down in the budget as "frais de representation." It is strange that while the League is fully staffed with translators not one of them appears to be capable of translating the term "frais de representation." Perhaps it would be more correct to say that the League officials deem it wiser to use the French words rather than to put them into bald English. As no translation is given, I will supply one. "Frais de representation" means money set apart for the purpose of giving a good time to the man to whom it is voted and such friends as he may pick out for expenditure on such items as cigars, champagne, theatre tickets, late suppers, seeing the sights and generally painting the town red.

Hon. Mr. DANDURAND: That is a very free translation.

Hon. Mr. CASGRAIN: It is to be noticed that a number of persons receive "frais de representation," on the ground, no doubt, that one man alone cannot stand the pace. For instance, the Secretary-General of the League gets £4,000 sterling, or $20,000, salary yearly. Then he has a house allowance of £1,000, equal to $5,000. In addition he is granted £2,500, or $12,500 for "frais de representation." Therefore this one official receives $37,500 per annum. Thus we have two officials, the Secretary-General of the League and the Director of the Labor Organization who receive $37,500 and $35,000 respectively which is twice and a half as much for each as is paid the Prime Minister of Canada! The Secretary-General has an assistant Secretary-General, who receives £3,000 per annum, or $15,000 and in addition £1,000, or $5,000, for "frais de representation"; a total of $20,000 per annum. If any of the Secretaries should happen to be away on leave of absence provision is made in the 1924 budget for the paying of the whole of his travelling expenses and his "living expenses" as well, and "travelling allowance," whatever that may mean, of such members of the League as wish to take a holiday overseas!

Straws often show which way the wind blows. We notice in looking over the League's Budget for 1924 that it provides for 96 stenographers for the League's Secretariat and 166 stenographers for the International Labour organization. The size of the staff which necessitates such an army of stenographers may be imagined. And by the way, Mr. Albert Thomas has just laid the foundation of a grand new Labour Temple at Geneva and one wonders how much the extra levy made upon Canada will be for this palatial centre for the spread of Socialistic propaganda.

I apologize for the length of my remarks. I have considered all these matters for many, many hours, and moderation has been my guiding star.

I have placed before the House a summary of the opinions of men and reviews, the most highly esteemed that exist. I think that the salvation of the world is to be found in a federation of the British Empire, in alliance with the United States of America, France, and possibly Italy. In such an arrangement I find, as God gives me light to see the right, the salvation of the world. I am afraid it is not to be found at Geneva.

Hon. Mr. DANDURAND: I am sorry that no one has risen to move the adjournment of the debate in order that some arguments may be added to those that have already been advanced in favour of the League. Honourable gentlemen, I would not like this debate to close on such a note of pessimism as that sounded by my honourable friend from De Lanaudière. He sees no hope, but he has not indicated any other remedy to which we may look. Wars have continued throuh the course of centuries, and always the hope has been expressed that if the nations came together some way or other might be found for securing and maintaining peace. Now we have the League of Nations. It is an imperfect instrument, but I hope that before long all the nations of the world will have entered it. I want to be an idealist still. It seems to me that in the League there is something that will bring about better days for humanity. My reproach to my honourable friend is that he would shake our hopes for a better world. Unless the world changes its course civilization and Christianity will not have made much headway in the last nineteen hundred years; but I desire to have this debate closed with an expression of our hope for better times.

DIVORCE BILL

SECOND READING

Bill U4, an Act for the relief of Raymond Anderson Mashinter.—Hon. Mr. Blain.

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

THE SENATE

Wednesday, June 4, 1924.

The Senate met at 3 p.m., Hon. Mr. Belcourt in the Chair.

Prayers and routine proceedings.

LOAN COMPANIES BILL

FIRST READING

Bill Y4, an Act to amend the Loan Companies Act of 1914.—Hon. Mr. McMeans.

TRAVELLING EXHIBITIONS IN CANADA AND FRANCE

INQUIRY

Rt. Hon. Sir GEORGE E. FOSTER inquired of the Government:

1. What was the total expenditure of the Canadian Government on account of the French Commercial Travelling Exhibition which visited Canada in the year 1922?.

2. What staff was employed, for what time was each member thereof employed and on what service and what was paid to each?

3. What was paid for other purposes than staff services, for what and to whom?

4. What was the total amount paid by the Canadian Government on account of the Canadian Commercial Travelling Exhibition which visited France in 1923?

5. What staff was employed, on what service, for what time and what was paid to each member thereof?

6. What amount was paid for other purposes than staff services, for what and to whom?

Hon. Mr. DANDURAND:

1. $15,126.75.

2.

H. J. Lambkin—services assisting in handling accounts en route.. ..	$ 50.00
B. W. Nyson, assistant publicity agent—13 weeks at $50, $650; allowance, 82 days at $10, $320; entertaining, telegrams, etc., $520.52..	1,990.52
W. J. Stewart, publicity agent—13 weeks at $125, $1,625; entertaining, travel, etc., $1,060.45..	2,685 45

3.

Beaubien, Lamarche and Angers—cables, etc...	234.96
T. P. Tansey, Montreal—supplying "flags of France"..	516.30
Advertising..	3,159.10
Cables..	375.92
Printing display cards, posters, etc.	2,407.87
Sundry outlay..	331.05
Entertainment:	
Banquet to French Mission.. ..	159.25
Board of Trade, Ottawa.. . ..	200.00
Meals supplied en route and sundry outlay..	375.18
Mr. Reiville, allowance for theatre expenses in Toronto..	235.95
P. T. Ahern..	405.70
G. P. Beaubien..	73.35
M. F. Gallagher..	347.55
A. B. Muddiman..	814.64
	$ 15,126.75

4, 5 and 6. The total amount expended up to March 31st, 1924, was $106,062.74, of which $78,111.03 was accountable advances. The

auditing of these accounts has not yet been completed, and therefore it is not possible yet to answer these questions in detail.

INFRACTIONS OF LIQUOR LAWS

INQUIRY

Right Hon. Sir GEORGE E. FOSTER inquired of the Government:

1. Have the recent negotiations and conferences between the Governments of Canada and the United States, or any of the departments or officers thereof, having reference to reciprocal services in the prevention or detection of infractions of the Liquor Laws and Customs Regulations of the two countries, been concluded?

2. If so, what agreements and understandings have been arrived at?

3. When have these agreements and understandings gone into effect?

Hon. Mr. DANDURAND:

1. No.

2 and 3. Answered by No. 1.

CANADIAN GOVERNMENT MERCHANT MARINE

INQUIRY

Hon. Mr. TAYLOR inquired of the Government:

Has the Department of Marine or any other department of the Government received any report from one Davidson, formerly steward in the employ of the Canadian Government Merchant Marine, respecting alleged dishonest practices in that service? If yes, what reply has been made? If investigation has been promised, has it been made, and by whom, and with what result?

Hon. Mr. DANDURAND:

Department of Customs and Excise—

Letter from Mr. Davidson respecting the smuggling of cigarettes was submitted to this Department by the Department of Marine and Fisheries. The matter was investigated by Mr. Angus, Munn, Inspector of Customs and Excise, who reports that the charges could not be substantiated.

Department of Marine and Fisheries—

(a) Yes.

(b) No investigation was promised or made. The matter was referred to the Commissioner of Customs and Excise and to the Manager of the Canadian Government Merchant Marine, Ltd., at Montreal, and Mr. Davidson was so advised.

Department of Railways and Canals—

In March, 1922, M. A. Macdonald, of Vancouver, forwarded to the Department of Marine and Fisheries a letter from H. Davidson charging Canadian Government Merchant Marine with smuggling ship stores. The matter was referred to the department of Railways and Canals which department forwarded the correspondence to President Hanna, of Canadian Government Merchant Marine, for inquiry and report. Mr. Hanna afterwards advised the Department that investigation had been held and the charges shown to be absolutely false. Mr. Hanna also advised that Davidson had brought action against Canadian Government Merchant Marine for $2,500 damages for wrongful dismissal. In the course of the action Mr. Justice Martin, the trial judge, intimated that he dis-believed Davidson's evidence throughout and expressly intimated that where there was contradiction between the evidence of Canadian Government Merchant Marine witnesses and Davidson he believed the former. The action, in consequence, was dismissed and costs awarded the Canadian Government Merchant Marine.

THE BRITISH PREFERENCE

MOTION

Hon. L. O. DAVID moved:

Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

He said: Honourable gentlemen, although I have not received the information which I wanted, and which was asked for by the honourable gentleman from Stadacona (Hon. L. C. Webster), I think I should proceed with this resolution. I do so in the belief that I have sufficient information to convince the honourable members of this House that they should vote for the motion, which is a very patriotic one.

I must admit in the first place that the Government is doing all it can to make the Budget more acceptable and less harmful to some of our industries without displeasing too much our friends the Progressists. I submit also that the Tariff alone is not responsible for the financial condition of which we complain, but that the increase of industrial production during the war, the lack of orders, and the decrease of the purchasing power of the customers of our manufacturers and of the population in general, are to a great extent the cause of the depression. Although I am a Protectionist, I will not exaggerate and say that the Tariff is responsible for all the evils in this world. At the same time, there is no doubt that the situation of our manufacturers is menanced by the advantages given to foreign products under the Imperial Preference and the general conditions of our tariff.

It has been clearly established that owing to the Preference importations of woollen

articles, and more particularly of boots and shoes, are increasing every day to the great detriment of our manufacturers, and that the result may be a stagnation in those industries in this country, and the closing of their establishments, which are so necessary to the living of thousands of our workingmen, who will thus be obliged to go elsewhere to find work. There is no doubt that some of our manufacturers had reason to expect that they would receive the protection which is granted to industry everywhere else in the world in order to assist them through the financial crisis. At all events the time was not opportune to make their situation worse than it was and to discourage them by frightening capital and sounding the death-knell of protection.

If our Government had contented itself with reducing the Sales Tax and abolishing the duties on raw materials imported by our manufacturers, perhaps it would not have been necessary to reduce the customs duties on farm implements. This would not have alarmed those who think the death-knell of Protection will be the death-knell of our industries, and consequently of our prosperity.

I am not surprised that our manufacturers were frightened. Death-knells are never gay, and it is not astonishing that in this case there has been produced a very bad impression upon those who were in danger. I have never been able to understand the principles of those people who think that we may have Free Trade or may reduce our customs duties to almost nothing while we have as neighbour one of the greatest industrial and protectionist nations in the world. Even if Free Trade or complete Reciprocity were established without restriction between Canada and the United States or with other countries, I am not ready to admit that our industries are strong enough and prosperous enough to sustain competition. I admit, however, that even in that respect there might be differences of opinion on the question, and that it might be argued that the disadvantages might be offset by the advantages resulting therefrom. But opening our markets to American or English products without compensation is certainly detrimental to the best interests of our country. Although I have always respected the opinions of my adversaries, in this case I do not see how there can be two opinions on the question. If we could reasonably believe that the modifications made or to be made in our fiscal policy would materially improve the conditions of our farmers, I would perhaps hesitate to oppose such modification; but, judging from what has taken place and by the experience of the past, I have no hesitation in saying that those modifications will do harm to our manufacturers without doing much good to the farmers—and perhaps will do a great deal of harm even to the farmers, particularly if the policy is continued.

It is true, as regards farm implements, that the Massey-Harris Company have declared that the reduction of the Sales Tax and the admission duty-free of some of the raw materials used by them constitutes a satisfactory compensation for the reduction of the duty, and will allow them to continue to manufacture with profit and even to lower the prices of their goods. But other manufacturers of farm implements have not the financial standing of the Massey-Harris Company, and are not in as good a condition to sustain competition. I have reason to think that all the manufacturers of farm implements are not as well satisfied as the Massey-Harris Company are.

The worst of the new policy is the declaration made by a member of the Government, and by almost all the chiefs of the Progressive party, that it is only the opening of the door of Free Trade. This gives us reason to believe that the policy of stability promised by Mr. Fielding is abandoned, and will certainly be a cause of depression, fear and discouragement. It will frighten capital, and prevent manufacturers from extending their establishments, and instead of increasing their production will induce them to reduce it, to the great detriment of all our labour people, and even of our farmers.

The announcement of such a policy at a time when it is proclaimed everywhere and by everybody that we must increase our population in order to save our country, which is in very critical circumstances, is difficult to understand, because it will certainly have the effect of sending to the United States a great number of our people and of the immigrants. We will continue to spend millions of money to draw thousands of people who, instead of living and working on farms, will, in the great majority of cases, increase the number of the unemployed in our cities if they cannot find work in our factories.

I think it proper to seize the opportunity of correcting certain allegations which have been made in regard to the views and policy of the Mackenzie and Laurier Governments on this question. I repeat what I have already said in this Chamber, that when Laurier became Prime Minister in 1896, although he was a Free Trader in principle he refused to make any modifications in the tariff which could hurt the industries of the country. If, later on, he did what all public men, especially Prime Ministers, do in order

to secure a majority and to give satisfaction to the farmers of the West and declared himself in favour of the reduction of certain duties on farm implements and other articles of production, he was satisfied that that reduction would not have any injurious effect on the condition of our industries. I am convinced that, in spite of his declarations, if he had returned to power and governed the country since the end of the war, taking into consideration the financial situation of Canada, he would have listened to the representations of the manufacturers, and would have done what the interests of the whole country required. I base that assertion not only upon his private and public utterances, but also on the policy which he adopted when he was at the head of the Government.

As to Sir Wilfrid Laurier's declarations, they are numerous, but I will content myself with mentioning those which I find quoted in a great and memorable speech by Sir George Foster on the budget presented by Mr. Fielding in 1897. Sir Wilfrid Laurier said:

> It is humiliating to have to admit that after the existence of three hundred years, this country is not able to supply its own wants. Although nature has been marvellously prodigal in her gifts, and has done so much to make this a manufacturing country, we are yet dependent on foreign countries. It is our duty to foster our national industries.

That was said by Sir Wilfrid Laurier in 1871. In 1876 he said:

> It is asserted by many and assumed by others, that free trade is a Liberal principle and protection a Conservative principle. If I were in Great Britain, I would be a free trader; but I am a Canadian-born and a resident here, and I think that we require protection. We have within ourselves the ability to create an industry. If it is shown we cannot maintain it, unless by legislation, either in the way of premium or prohibitory tariff, then I should be ready to take that into consideration.

I could cite dozens of extracts from speeches made by Sir Wilfrid Laurier containing declarations of the same kind, but I think that those I have read are sufficient to prove the truth of my assertion that when he spoke of reducing the duties on farm implements and other articles he was convinced that it would do no harm to any industry. I am sure that if he had been shown that a certain reduction would hurt some important industry, he would have refused to agree to any such reduction. I have said, and I repeat, that he refused to yield to the demands of several Free Trade friends when he became Prime Minister, and decided to continue the tariff which had existed since 1878.

In support of my allegation I will mention once more the declarations of Sir George Foster, who, like the other chiefs of the Conservative party, accused the Liberals of being false to their principles by adopting, as Sir George said, nine-tenths of the high-protection Tariff. I will read only one passage:

> Mr. Foster: The Liberal party, headed by my hon. friend the First Minister, has declared, through its Finance Minister, to this House and the country and the world its deliberate adoption of the principle of protection. It has embalmed that principle in its tariff; and if it has, in some few cases, lightened the duties upon special articles, in other cases it has added to the protection which was upon these articles under the old tariff.

That is clear. So that when Liberal protectionists invoke the Laurier-Fielding tariff to justify their views, they are not wrong, though it has been attempted to show that it was more or less a Free Trade policy. No, it was not; and when the Tariff was changed in 1907 there were some alterations and modifications, but not enough in their nature to destroy the principle of protection which was inborn, as Sir George Foster said, in the old Tariff.

Hon. Mr. DANDURAND: The honourable gentleman will not fail to notice the programme of Sir Wilfrid Laurier in 1917, when he went to the people.

Hon. Mr. DAVID: I know that, but I have just said that his deeds, instead of his declarations, are there. Although he had always been a Free Trader, and although he had several times in speeches proclaimed himself a partizan of the Cobden and Bright policy, yet when he came to power, considering the circumstances and interests of the country, he refused to put into operation the Free Trade policy.

There are other allegations which I think in justice I should correct. It has been said and published that the Mackenzie Tariff was the cause of the financial depression which existed from 1872 to 1878. The Tariff of that time was the Tariff made by the Conservative party since the establishment of Confederation. The only modification made by the Mackenzie government was the increase by 2½ per cent, raising the Tariff from 15 per cent to 17½ per cent. The reproach which Sir Wilfrid received, even from his friends like me, was that he did not raise it to 25 per cent or 30 per cent, as the Conservatives did when they came back to power in 1878. What is very curious is that in 1876, when the Mackenzie Government increased the duties by 2½ per cent, public men, including, I think, Sir Charles Tupper, said it was the beginning of a very dangerous policy; yet afterwards he was one of the most eloquent champions of

protection. But such contradictions naturally occur very often in the political world, and sometimes we must excuse if we cannot justify them.

Hon. Mr. MURPHY: They do not know any better.

Hon. Mr. DAVID: But let us come back to the question of British preference. Is it true that it injures some of our industries? Well, after having read the declarations made by the manufacturers, and the statements placed before the Government, I have come to the conclusion that, in conjunction with the advantageous position of the English manufacturers on account of low wages, the exchange or depreciation of money, Canadian manufacturers have to meet severe competition from foreign manufacturers. For instance, it has been clearly established that the importation of boots and shoes, linens, and woollen goods, has been increasing considerably for some time, and seriously threatening the existence of establishments employing thousands of people. Listen to the views expressed by competent men on the effects of the preferential tariff upon the shoe industry. Mr. Daoust, who is now the President of the Daoust-Lalonde company, one of the most important shoe manufacturers of Montreal, and a very able man, says, speaking of the Sales Tax, that the proposed reduction was from 6 to 2½ per cent on boots and shoes, including rubber footwear, and from 6 to 4½ on rubber boots, and he adds:

> I am sure that the Canadian industry will never be as safe from British competition as it should be until the Imperial preference is abolished and 30 per cent is the flat tariff on imported shoes.

Mr. Daoust goes on to explain that the present General Tariff on imported footwear is 30 per cent. The Imperial tariff preference originally reduced that to 20 per cent. Last year Parliament went further and brought it to 17½ per cent. He then says:

> Depreciation of currency makes a further cut of about 10 per cent, and that brings the tariff to, say, 15¾ per cent. Consider that the cost of production in Britain is 10 per cent cheaper than in Canada, and we manufacturers in the Dominion have now a net protection of about 5¾ per cent.

He concludes:

> That is making Canada a dumping ground for British boots and shoes, and their importation has greatly increased since that extra 2½ per cent Imperial preference was granted.

I must say to the honourable leader of this House that that increase in imports has continued, and in the last three or four months I have been told, and I think it is established by statistics that have been furnished, that the importation has more than doubled.

Hon. Mr. MURPHY: It has increased 60 per cent.

Hon. Mr. DAVID: "I am opposed to the preferential tariff," says Mr. Daoust, "because, while we have been making reductions to Great Britain expecting to get something, we are getting nothing." Mr. Weaver, manager of the Shoe Manufacturers Association, confirmed the views of Mr. Daoust. He claimed that the British manufacturers were dumping their goods in Canada. These were also the views expressed by the delegates of the shoe manufacturers in their interview with the Government, in a statement prepared with a great deal of care. It is a very long statement, in which they express the same views as Mr. Daoust; so I will not impose on the House the obligation of hearing those views.

Leaving aside boots and shoes, let us see what has been the effect of the preference upon woollen goods and the textile industry. Ten workmen from textile mills, as a delegation representing the textile workers of Canada, waited upon Premier King and Hon. Mr. Robb and presented an open letter signed by 21,000 workers in the mills. That means something—21,000. The letter stated that great numbers of men and women in Canadian textile mills were being laid off and more were being put on short time. Some mills were shut down. Because of this many Canadians had to go to the United States. The cause was the large importation of woollen goods, because customs duties were too low. Statistics were quoted showing the extent of the importation. It was also pointed out that wages in Great Britain and European countries were only from one-half to one-quarter the wages paid in Canada and therefore Canadian workers could not compete, unless the Government protected wages by increasing duties. The letter concluded with a request for higher duties.

I wish now to read some of the views expressed by the manufacturers of Glen Williams. A communication from them submitted information on the importance of wool socks and stockings imported from Great Britain as follows:

	Pairs	Value
In 1921..	2,813,860	$1,201,793
In 1922..	6,594,324	2,496,450
In 1923..	8,101,572	2,951,372

So you see, honourable gentlemen, that the importation is increasing all the time. The communication from the manufacturers of Glen Williams stated that unless something is done to stop the influx of foreign goods the mills must close and the village will be depopulated.

I have also a declaration made by the representatives of another great industry, but I do not think it is necessary to continue along this line, either in my own interest or in the interest of honourable members of this House. I need not show that when two, three or more important industries suffer, the prosperity of all the allied industries is also affected. The fate of one great industry may affect the fate of ten, fifteen, twenty other industries. It was established recently in a newspaper article that if the farm implements industry were seriously affected, fifteen or twenty other industries would likewise be affected.

There is no doubt, honourable gentlemen, that manufacturers have reason to complain of the competition against their products caused by the preference, and to say that it is becoming every day more and more harmful. They should have complained sooner, but it took several years for them to realize its ill effects. I understand that a question of sentiment enters into the matter. I understand that when the interests of England are at stake, even the manufacturers, although concerned in their business, hesitate before protesting against anything that has been done in favour of Great Britain. We all have that sentiment. But, honourable gentlemen, I say, Canadian interests before sentiment.

But the question is, as I have just said, not merely a question of money. No; even if the harm done by the British preference were not so great as it is alleged to be, we ought to give evidence of self-respect, of legitimate independence. We ought to show that we resent the refusal of the British Government to give us any compensation for our fiscal concessions and to fulfil the promises and engagments made by the Baldwin Government. We ought to show that we resent that; and the way to show it is to adopt my motion, as I hope you will do. We ought to show that we are not beggars and do not want to impose upon Great Britain a policy which they think contrary to their interests.

They say that they want to be free to adopt the policy which they think is required by British interests. Well, they have the right to adopt that policy, but their deeds and their words justify our Government in exercising the same right and in doing, before all else, what Canadian interests require. Let us follow their example and imitate their independence. Let us also follow the example of Australia, who has protested against the proposed withdrawal of the McKenna fiscal concession, and announces that she will negotiate treaties of reciprocity with other countries. Why should Canada not do as England and Australia are doing?

I know what took place when Laurier initiated the policy of preference; for, as I suppose you know, honourable gentlemen, it was a French-Canadian Prime Minister, Sir Wilfrid Laurier, who initiated that policy. I know that the question of sentiment, the desire to give England evidence of good will, of friendship, and the hope that she would appreciate our conduct and reciprocated to a certain extent—in other lines, perhaps—had much to do with the introduction of that policy. And a preference of 12½ per cent at that time was not thought dangerous to our industries; but it has been increased since that time, and the circumstances are changed, the conditions of our financial and fiscal policies do not allow us to continue to give everything without getting anything in return. We cannot afford any longer to be generous and charitable, and England does not want our charity. At all events, charity begins at home, and we never had more reason to apply that practical and wise axiom, which must have been invented by an Englishman. What harm is done in the world and to Canada by the exaggeration of good sentiment! The exaggeration of religious, national or democratic feelings, of loyalty, of generosity, which are generally worthy of respect and consideration, especially in private life, is dangerous when applied to a country. We had a proof of that during the war. And it is especially out of place when, as in the present case, it is not appreciated, as shown by the proposed abolition of the McKenna concessions and the refusal of the British Government to give us compensation. But it will be more appreciated if we show that we are not indifferent to any treatment which we may receive and to the scant consideration given to our generous deeds.

In view of the financial situation of the country, if the Government thought proper to depart from the policy of fiscal stability, they should have reduced the British preference. When England shows so clearly that on that question of preference and of tariff generally she consults before all her own interest, we ought to follow her example.

In a matter of such vital importance, the interest of the whole country must supersede all other interests and considerations and make it the duty of any man of conviction and principle to oppose a policy which he thinks dangerous to the country and which may be a cause of discontent and friction between different provinces—perhaps a cause

of dislocation. What would become of all the appeals made in favour of national unity, of all the efforts made to create feelings of friendship among the different parts of the Confederation, if in order to satisfy one section we adopt a policy disastrous to the rest of the nation, or if we create the conviction that the interests of our provinces are so different that they cannot have the same policy or the same legislation?

I wish to add that in order to reach its destiny Canada cannot be exclusively agricultural. Nature itself shows that it must be also industrial in order to take advantage of its extraordinary mineral and hydraulic resources. Nature itself, as has been so well said by Sir Wilfrid Laurier himself, indicates the policy which we must pursue in order to do what the prosperity of Canada requires; and is it not evident, in view of the length of our winter, that industry must procure for the greater portion of our population the work which cannot be found on the farms?

Honourable gentlemen, no country can boast of having a more glorious past or history than Canada, or expect a brighter future, and if it does not attain its high destiny it will be our fault, because we shall not have been faithful to its noble traditions—because we shall not have had a true Canadian policy.

Hon. WM. ROCHE: Honourable gentlemen, I have listened with great attention to the address which our honourable and venerable friend has just given, and, although I agree with him on many occasions, I have to differ with him on this occasion on some points. On others I do not agree with him. When I differ with my honourable friend I always defer my own opinions and revise them, in order that I may ascertain their justness or propriety when the contrary has been asserted by so great an authority as my honourable friend. Yesterday evening an honourable gentleman opposite—whom I do not see present—remarked with some severity upon the division of opinion that appears on this side as shown by the votes that were given on a very important measure. That almost amounted to a curtain lecture from the honourable gentleman. I would remark at present that I do not think he knows the essential difference between the Liberal sentiment and the Conservative. A Liberal may entertain his own opinions, and on every proper occasion assert them, although he may differ from other Liberals, and perhaps the Government. The individual Liberal asserts himself. On the other side the severity of party discipline exists to a greater degree.

Hon. Mr. MURPHY: There is no severity here.

Hon. Mr. ROCHE: On some occasions honourable gentlemen who may entertain different opinions go with the majority for the sake of showing their numbers and perhaps their influence upon the House and the country.

Now I turn to my honourable friend from Mille Iles (Hon. Mr. David), and I must say that I appreciate and approve of the research which he has evidenced in connection with the subject that he has brought before us. I might remark to him and to the House that all the arguments which applied before the war, and before the various changes of government that have taken place, do not apply at the present time. The academic questions of Protection and Free Trade do not apply now. The war has made an immense change. There has been a debt contracted of twenty-five thousand millions of money: the interest on that has to be paid, and public services have to be maintained. A large portion of the sum which is to pay for the interest and for the public expenditure must be raised by excise and by customs duties. The Income Tax and other direct taxes have been pushed to the utmost extent. The country has rebelled against them to some extent, and they cannot be continued or extended any further. Therefore, if this government be in power or if a Conservative Government be in power, the measures resorted to to maintain the public services and to pay the interest on the debt must be a revenue tariff. We may have our views about what is called Protection; we may have our views about what is called Free Trade; but for the future of this country there must be a revenue tariff to supply the sums required for the public services.

We hear a great deal about Protection. What does Protection mean? If it be real protection of trade or manufacturing or industry or commerce, or anything else, we are all protectionists—everybody in the country is a protectionist. We would like to see the interests of our country established, maintained, and extended. We are all of one opinion on that point; but we cannot all go to the extent of saying that it is requisite to have the exclusion of foreign goods, and that the citizens of this country shall be charged with vast sums of money in order to support establishments some of which are necessary and economic and others of which may be extraneous or visionary. Are the consumers of the country to be made to pay the expense of the enormous sums necessary to compensate for deficiencies of energy or in management, or any other class of waste or extravagance? I may say this: that I

will be the last one to allow, to vote for or to support any measure which would result in the introduction of foreign goods, from whatever source derived, that would break down our manufactures or destroy our industries, injure our people, or expatriate them.

A great deal has been said about expatriation. Did it not take place from all the interests in the country? Was it more noticeable in the case of the manufacturing industry than in the case of agriculture? Was it not because of the allurements of more money and the opportunities for greater excitement offered in the United States? What can be done to restrain those men? What can be done to give more inducements in our own country? What plans can we devise to cause young men to remain on their farms and in their employment? I would ask some of our members here who have inventive genius: Why could not something be done to increase the inducements to our young men to go to the farms in the West, in place of throwing out inducements in money and lands to those people who are brought as immigrants from certain countries in Europe—people who will never make good immigrants, who will never live on the farms, and who will never be valuable assets to the country, but probably will hang upon the precincts of the cities and be a charge upon the inhabitants?

Allusion was made in my friend's speech to the British Tariff. I would not agitate for a moment a tariff so low that it would induce the productions of Great Britain or any other country to come in and overthrow our manufacturers in this country. I do not know anybody who would. I believe there is sufficient patriotism in this country to cause us to consume our own productions, and to give a preference to our own goods, provided the quality and the price are within reach. But I would ask the honourable gentlemen who advocate Protection; "How high protection do you want? Do you want 30 per cent?" You have got it now. "Do you want 50 per cent? Do you want 100 per cent? How high do you want to go?"

Now, to speak of boots and shoes. What kind of boots and shoes are they that come in from England? Are they superior to our own boots and shoes? We know that English boot and shoe manufacturing is specialized in certain districts.

Hon. Mr. MURPHY: They come from Germany.

Hon. Mr. ROCHE: Of course, my honourable friend is familiar with all those subjects, but I am only learning.

Hon. Mr. MURPHY: You are an apt student.

Hon. Mr. ROCHE: And I hope he will withhold his array of knowledge until I have finished, and then he will be able to enlighten us all.

With regard to boots and shoes, how does the quality of our Montreal boots and shoes —for they have been mentioned—compare with that of English boots and shoes? We know the English people of this country want to buy everything that is made at home, and that a great many others like to buy articles because they are English, you know. In certain lines of boots anl shoes, perhaps the English goods are superior. The statistics given do not indicate the minutiæ of these facts; they do not lead along the line of comparison, or indicate whether a certain increase would lead to the greater consumption of our boots and shoes and to the exclusion of those of foreigners. We know that the English produce different grades of leather—they import largely from France and other countries, and the production is specialized in certain towns; and from long experience the English have become experts in the matter. I would like to hear what kind of boots and shoes compete with ours. What is the make? What is the material? What is the price? And if those articles are within reasonable distance of our own, ought we not to allow the people who wish to buy and use them to do so?

Furthermore, the English manufacturer enjoys the benefit of buying all his raw materials from all parts of the world, and he endeavours to pay for them in manufactured goods and other productions. By that means, and by the mixing of material and the use of advanced machinery and cheap labour and everything else, he is able to compete with the whole world.

Again, take the textiles and woollens. The English are the best mixers in the world. They produce and buy raw materials from all the countries in the world, and by reason of their vast trade they are able to command lower prices.

Hon. Mr. MURPHY: What do you mean by the English being the best mixers in the world? Are they going to be allowed to throw their stuff into the country?

Hon. Mr. ROCHE: How much mixing is there in woollens, in blankets, or wearing materials?

Hon. Mr. MURPHY: Yes, in blankets or wearing materials. You know just as well as I do.

Hon. Mr. ROCHE: How much is there in millinery or other articles? I will tell you about boots and shoes. A great quantity are made at Northampton. It is a special industry.

Hon. Mr. MURPHY: I know that.

Hon. Mr. ROCHE: Now, take ladies' shoes. I have asked manufacturers of boots and shoes in Montreal and elsewhere: "Why cannot you compete with American shoe manufacturers?" They say: "Oh, they can obtain a wider diversity of leather and materials, and with the specializing of their manufacturing, and by having the best models and devoting themselves to certain lines, they are able to produce a better article and sell at a cheaper rate in Canada."

I have spoken a little about textiles, from a rudimentary point, I admit, and I can see very clearly, from certain circumstances and conditions, that it may be necessary to diminish the preference given to British goods. I am told also, in relation to textiles, that the goods produced under the name of British goods are not always British.

Hon. Mr. MURPHY: That is the trouble.

Hon. Mr. ROCHE: I am told that many of those goods are produced in Germany and France; that if a certain portion of the finish is given to them, or if some ingredient is put into them in Britain, then they are shipped into Canada and other British possessions as British goods. I do not know the extent of that practice; I do not know what proportion is British and what proportion foreign; but I do not approve of and do not support any policy which allows either British or foreign goods to be admitted to the overthrow and extinction of our manufacturing. I think the inhabitants of the country should consume and use the articles produced in the country.

Now I turn to the article of sugar, a large portion of which came from Trinidad, Demerara, and other British possessions. Under the British Preference sugar from the British possessions was introduced at a lower rate of duty. The consequence was that the sugar syndicate in London advanced the price of sugar in the West Indies to include the cost of the reduced duty. They took the whole of it. That is the way the British manufacturer and the British merchant will act whenever he sees an opportunity of making the pound sterling. When we remember that Great Britain is a manufacturing nation, and that she owes an immense amount of money to the United States and must pay that by her productions, no longer having gold to pay the bills, we will see that wherever British productions can be pushed they will be pushed. Britain has command of the seas; she has shipping all over the world and vessels running to every port; she has a great trade with the United States, and there is a strong feeling in the United States for the consumption of British goods; so, trade with the United States must be great, and to a very large extent must be in British goods.

Now, I take another step forward. We have the preference given to British production. We have trade with Great Britain; we import from Great Britain; do we not send anything to Great Britain in return? When we talk about protection and exclusion and prohibition, what do we send to Great Britain? Is Great Britain to take everything from us, and are we to take nothing from her in return? Trade stands upon the principle of barter. Could we call upon our British friends to take our wheat and our apples, our cheese and our butter, our hams and our bacon,—everything that we produce —and we take nothing in return? What have they to ship to us? They have not raw materials or agricultural materials. What are they going to give us? It must be manufactured goods. Trade proceeds upon exchange, and if we wish to cultivate trade, we must give and take.

That is the principle of what is called free trade. But we have no absolute free trade any longer in this country, and cannot have. If we are protectionists, well and good, we are all protectionists, but if we are exclusionists and prohibitionists, and multipliers of taxes and expenses upon the consumers of this country, we are not in that category. I would like to know what is the reasonable figure that these poor injured manufacturers want to put upon their goods. They have their goods already at about double or three times what they were before the war—even in boots and shoes the price is about double what it was before the war. We do not hear about these establishments closing generally—there may be one here or there—and if one closes we know that another can do more business and can take over the hands from the factory that is closed, so there is no loss of men in that respect. But are we to have extortionate prices fixed by legislation upon the consumers of the country? The consumers will not have it, whether you put it under the name of Protection or under the name of exclusion, on the ground of patriotism or on

the ground of money making and extortion. The people of this country want reasonable prices, they want what we produce at reasonable prices having a reasonable regard for the interests of the country, when they will carry out the policy which is for the benefit of the whole.

Hon. JOHN McCORMICK: Honourable gentlemen, I want to say a word in favour of the resolution and the ideas of my honourable friend from Mille Iles (Hon. Mr. David). The last speaker told us that since the war conditions in the world had been revolutionized. We all know they have been changed, and so far as the subject under discussion is concerned, if they have not been revolutionized, at least they have been very seriously aggravated.

The honourable gentleman wants to know what rate of tariff we require. That is not a very easy question to answer. I think the opinions of those who are concerned about matters of this kind are pretty well crystallized into a condition of this kind—that the question of what is reasonable protection for the building up of industry should be ascertained by men who are experts and who are familiar with the different trades and callings and who have made research into the matter.

The British Preference, I think, met with the approval of the people all over the country. My honourable friend from Halifax (Hon. Mr. Roche) has just said that aside from sentiment there is another phase of the question. Great Britain is one of the largest consumers of our products in the world. We must not forget that the British preference was 33⅓ per cent lower than the average tariff, and that last year, for the purpose of encouraging British imports, this preference was increased by 10 per cent, making it 43⅓ per cent on articles in which there was severe competition in this country, such as boots and shoes, fabrics, woolens, cottons, dress goods, cloths, etc. I know that such goods are now being imported in very much larger quantities than previously, and woolen manufacturers report that at least 40 per cent of the woolen industry of this country is now idle. We read in the newspapers of a large concern in Montreal dealing in woolen goods, in men's wear, socks, and that sort of thing, going to the wall, largely on acount of competition from European goods.

In addition to the 43⅓ per cent already mentioned, the exchange difference in the value of the British pound increases the preference on British lines of goods to 46 per cent. This is a serious matter to a sparsely settled country like Canada, which is in competition with old-established manufacturers in Great Britain who, while enjoying such a substantial preference, possess better facilities for buying raw materials. In addition to that, our Canadian manufacturers are side by side with one of the best-organized systems of manufacture and industry in the whole world, with a market of 110,000,000 people to the south of us, whereas this country has only 9,000,000 people, and has to face the conditions I have named.

While I favour British preference, I wish to be fair to our own country. This is our first duty, and we should not go so far in our generosity as to wipe out the capital invested in Canadian industry, and throw out of employment tens of thousands of our own people, and thus compel them to migrate across the line.

It is not for me, or for any man in this House or the other House unaided by experts, to say what the tariff ought to be; but under present conditions I think the present duties should be maintained only until a better system is adopted. I would like to see that 10 per cent of British preference that was added last year, taken off. I would also like to see some action on the part of the British people themselves, to reciprocate the advantages we have given them since 1897. Everyone who reads the press must have been pleased, as I was, to observe the effects of the small preferences that were given under the Baldwin system a few years ago, which enormously increased some exports from this country. That is one of the reasons why we have had such a large export of automobiles within the last three or four years. That tariff, I understand, is to be abolished on the first of August.

As far as I am personally concerned, speaking with due regard to my duties as a citizen, and as a member of this House, I am prepared to support a resolution, now or at any time in the near future, to have that 10 per cent struck off. If we find later, that manufacturing cannot be carried on without a further change and there is no reciprocation in the way of giving our products some advantages in the British market, in the spirit in which we gave the British preference, I would be quite prepared to say, if Canadian industry required it, that the whole preference should go.

I do not for a moment think that the proposed Canadian Tariff meets the approbation of the men who sit on the Treasury benches in the other Chamber; and I know that in this Chamber, and in this country, throughout the industrial centers in the provinces of Ontario and Quebec, and the Lower Provinces, it does not meet with approval. I want to say,

further, that that policy was not selected by the Government, but it was dictated, with the big stick, by a selfish lot of men from the prairies. I am sorry to have to express views of that kind, and speak of those men as selfish, but I cannot see it otherwise. Those people are acting in a selfish way, with an eye only to secure the whole loaf for the prairies. They were recently demanding a straight 50 per cent preference on British imports. They want a lower tariff on goods imported, and in some cases want them free altogether. They demanded reductions in their transportation costs, and got it, and the other parts of the country, which have been labouring under disadvantages, though perhaps not to the extent that they are, have got nothing. Those people are demanding a policy that is striking at the industrial centers of the old provinces of Canada. At the same time they are calling for 26 branch lines of railway. The people in those Western Provinces, with the exception of Manitoba, have been paying an income tax of $2 per head, whereas that tax in the province of Quebec is $9.50 and in Ontario it is $8.50, while the poor little scattered provinces down by the sea, with Ontario and Quebec, have to find the bacon to give these men all the advantages they are securing.

I did not intend to discuss this matter, not knowing it was coming up, but I have no hesitation in saying that the sentiment of this country will not support the policy which has been proposed, although the changes suggested have not been very significant, and I do not know that they are going to do a great deal of harm. The evil lies in the abdication by the Government, and the reversal of the principles that have been acted on since 1897, as expressed by the Minister of the Interior, who said he hoped that this Tariff would be the death-knell of Protection. I want to say, honourable gentlemen, that a lot of well-informed people in this country have quite a different idea, and that if that policy is persisted in the Government will find that instead of it being the death-knell of Protection it will be the death-knell of the Government.

Hon. Sir JAMES LOUGHEED: I have been requested by the honourable gentleman from Stadacona (Hon. L. C. Webster) to adjourn the debate, as he was called away unexpectedly to Montreal. I therefore move the adjournment of the debate until tomorrow.

The motion for the adjournment of the debate was agreed to.

DIVORCE BILL

THIRD READING

Bill U4, an Act for the relief of Raymond Anderson Mashinter.—Hon. Mr. Blain.

INDUSTRIAL DISPUTES BILL

REFERRED TO COMMITTEE ON RAILWAYS, TELEGRAPHS AND HARBOURS

Hon. Mr. DANDURAND moved that the Senate go into Committee on Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.

Hon. Mr. ROBERTSON: Honourable gentlemen, before we go into Committee of the Whole on this Bill, I would like to make an observation for the consideration of the House respecting procedure. Without going into a discussion of the merits or demerits of the Bill, or the Act itself, I desire respectfully to point out that the principle underlying this whole Act, which has been in force for some 17 years, is one of conciliation, the purpose being to prevent hasty action on the part of employers or workmen which might result detrimentally to their interest, and especially such action as would be detrimental to the public interest.

When this matter was under discussion on the second reading I suggested that it might be wise to refer it to a special committee or to the standing committee, in order that those interested in the Bill, either in passing the amendments proposed, or opposed thereto, might have opportunity to express their views to the Committee, because they could not do so in the House. That view did not prevail at the time, and I again make this suggestion, for the reason that since that occasion I have received a memorandum, signed by responsible representative men, which I would like to submit to the House for consideration, and then renew my request. Under date of May 8 the following letter, addressed to myself, was received:

> Referring to Bill No. 7, now under consideration by the Senate, to amend the Industrial Disputes Investigation Act, 1907. We sincerely regret that your proposal, to refer the Bill to the Standing Committee on Railways and Telegraphs, was not adopted by the Senate, for the reason that it would have afforded an opportunity for any interests which may be opposing the Bill or the large number who are in hearty accord with it to present their views.
>
> Although you have on several occasions clearly set forth in the Senate the views of labour on the principles of this legislation, as well as to the proposed amendments in Bill 7, it may be of interest to you to have at hand the opinions of the Representatives of labour in Canada affected by this legislation.

It is not necessary at this time to refer in detail to the history of the legislation or the chief reasons for its enactment. Suffice it to say that during the time the Act has been in operation labour has generally accepted the principles of the Act and has co-operated in giving effect to its chief purpose "to aid in the prevention and settlement of strikes and lock-outs in industries connected with public utilities." Generally speaking, this co-operation has continued, notwithstanding the fact that for many years the measure did not find popular favour among a large number of the workers affected. However, believing that in the public interest some legislative machinery should operate to insure ample opportunity for investigation and conciliation in industrial disputes, labour has gradually adapted itself to the principles and legal process of the Act, and is further willing that it should be continued, provided that its operation is made equitable to all concerned.

It would seem that during the discussion on this subject there has not been sufficient emphasis placed upon one of the fundamental principles of the Act, namely, Conciliation. In order to maintain this spirit of conciliation before a Board there should be equality of treatment under the Act. It is the adoption and acceptance of this principle by all parties concerned, both in the application for and subsequent to the appointment of a Board, which is essential to the effective carrying out of and wholesome respect for the Act.

That the Act has not always been used equitably in the matter of disputes between employers and workmen, because of unfair advantage being taken by employers of an omission inadvertantly made in section 58, thus enabling employers to force changed conditions of employment for reduction in wages, contrary to the spirit and intent of the Act, is a matter of common knowledge to those conversant with the operation of the Act, especially within the past four or five years.

All that Bill 7 contemplates is to insure equality of advantage, as well as responsibility, under the operation of the Act. It cannot be consistently contended that any injustice or burden will be imposed upon employers by the proposed amendment, unless he violates the Act. The employer should not entertain any fear of referring to a Board of Conciliation and investigation any proposed changes in wages or working conditions, before making them effective, especially in view of the fact that employees have accepted this obligation for the past fifteen years.

Trusting that the honourable the Senate will see the consistency of concurring in Bill No. 7 as it passed the House of Commons, we remain, Yours respectively,—

And then the signatures follow:

Byron Baker, Legislative Representative, Brotherhood of Locomotive Engineers. L. L. Peltier, Legislative Representative, Order of Railway Conductors. Wm. L. Best, Legislative Representative, Brotherhood of Locomotive Firemen and Enginemen. T. J. Coughlin, Legislative Representative, Brotherhood of Railroad Trainmen. Tom Moore, President, Trades and Labour Congress of Canada—

—who for legislative purposes represents all the men engaged in the shop trades, maintenance of way, station service—and so on. The men whose names I have just read represent, by properly constituted authority, 140,000 organized railway employees in Canada. Inasmuch as only the railway companies in Canada have offended against the Act thus far, I submit that, in accordance with the spirit of the law itself, which is based on conciliation, it is proper to refer these proposed amendments to the Standing Committee on Railways, Telegraphs and Harbours and at least give an opportunity to these gentlemen, and any others who may so desire, to appear before that Committee to state their views, either for or against the amendments. I respectfully make that suggestion and move that this Bill be not now referred to Committee of the Whole, but be referred to the Standing Committee on Railways, Telegraphs and Harbours for consideration.

Hon. C. P. BEAUBIEN: Honourable gentlemen, for my part I see no objection to having the Bill referred to the Railway Committee, provided sufficient time is given to all interested parties to send representatives here. If the Bill is sent to the Committee and considered within the next two or three days, that of course would be much too short a delay.

In order that this honourable House may know that there are very important associations opposed to the principle of the Bill, and for good reasons, I beg leave to read a letter and an accompanying resolution, which may be regarded as a counterbalance to the correspondence already read to this House by the honourable gentleman from Welland. This letter and the attached resolution were sent to me by the Asbestos Mine Operators' Association of the Province of Quebec at the end of May of last year, too late for me to submit them to the House. I understand that the amendments now proposed follow along the lines of the amendments of last year, and that therefore the situation is not changed.

Enclosed we herewith hand you copy of Resolution passed by Asbestos Mine Operators' Association of the Province of Quebec at meeting held on the 22nd inst.

The members of our Association are convinced that this amendment, if passed, will be detrimental to the mining industry, and would appreciate it if you will be good enough to use your best efforts so that bill will not be passed by the Senate.

Copy of Resolution passed at meeting of Asbestos Mine Operators' Association of the Province of Quebec held in Montreal, on Tuesday, May 22nd, 1923

Whereas Bill No. 84, Section No. 57, generally speaking, says that an operator desiring to make any change affecting wages or hours, must give thirty days' notice of intention, and that if a Board of Conciliation is asked for during that period of thirty days, conditions must not be changed until the Board has been appointed, heard the evidence and delivered their report;

And whereas this means that should conditions necessitate a change of any kind, nothing can be done in less than about 60 days, and whether the employer can afford it or not, operations must be continued or he becomes liable to a penalty of from $100 to $1,000 per day, etc., and the application of this penalty would, should labour troubles arise, cause the owners to sustain very heavy losses, and in the case

of small operators, probably loss of title to their property, and while it may be said that the penalty applies to either party using these conditions for the purpose of delaying change, there is no way in which the penalty can be made applicable to employees.

And being convinced that such conditions could not fairly be applied to the Mining Industry, it was, therefore, resolved that this Association protest against this bill and that copies of this resolution be forwarded to members of the Senate.

I therefore ask that if this honourable House is of opinion that this Bill should be sent to the Railway Committee, due notice and time be given, so that all interested parties may be heard.

Hon. Mr. DANDURAND: Honourable gentlemen, I have no objection to this Bill being sent to the Standing Committee on Railways, Telegraphs and Harbours; but I know that that Committee has a pretty heavy programme for the next few days. Perhaps before the end of next week there may be an available date, but it would have to be fixed sufficiently in advance to permit of interested parties being notified of the hearings. I agree to the amendment. The Committee could perhaps consider the Bill on Thursday of next week.

Hon. G. G. FOSTER: Would a week's notice be enough?

Hon. Mr. CASGRAIN: Honourable gentlemen, before this matter is finally dealt with, it should be clearly understood that this is a public and not a private Bill, and is sent to the Railway Committee in order that the parties may be heard, but that does not prevent the Senate from dealing with it. Although any honourable member of the Senate may attend the sittings of the Railway Committee, yet we know that in practice very few who are not members do attend, and at any rate they have no vote there. I believe, therefore that when this Bill is reported from the Committee to this House it should go through the Committee stage here, even if it is only as a formality, because this is a public Bill.

Hon. Sir JAMES LOUGHEED: It is for the House to do as they choose with it.

Hon. Mr. CASGRAIN: Yes, but a public Bill should go to Committee of the Whole.

Hon. Sir JAMES LOUGHEED: When it comes back the honourable gentleman may move that the House go into Committee on the Bill.

Hon. Mr. CASGRAIN: But it is a bad practice that we in this House have followed for some time—that of referring public bills to special committees, and, when they are reported here, giving them third reading immediately, without going into Committee of the Whole. I protested against that practice years ago. This is a public Bill and we are entitled to have it considered in Committee of the Whole House.

Hon. Mr. ROBERTSON: May I point out to the House that there are twenty-six public Bills before the Committee on Railways, Telegraphs and Harbours at the present time. I did not for a moment think it was out of order to suggest that this one, which is certainly of public importance and concerns a great many people, should be referred to that Committee.

Hon. Mr. CASGRAIN: I am not objecting to the reference of the Bill to the Committee.

Hon. Mr. ROBERTSON: I felt, furthermore, that, inasmuch as it is probable that certain amendments will be made in the Bill, as was done last year, and because those directly interested were debarred last year from being heard by reason of our dealing with the Bill in Committee of the Whole House instead of referring it to a special committee, therefore in connection with a Bill of this sort, based on the principle of fair dealing and conciliation, opportunity ought to be given to the interested parties to express their views. That was my only motive in suggesting that it be sent to the Committee.

The amendment of Hon. Mr. Robertson was agreed to, and the Bill was referred to the Standing Committee on Railways, Telegraphs and Harbours.

DIVORCE BILLS

SECOND READING

Bill V4, an Act for the relief of James Koniaris.—Hon. Mr. McCall.

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

THE SENATE

Thursday, June 5, 1924.

The Senate met at 3 p.m., Hon. Mr. Belcourt in the Chair.

Prayers and routine proceedings.

STATISTICS OF PROVINCES

MOTION FOR RETURN

Hon. Mr. BOYER inquired of the Government:

In each of the Provinces of the Dominion, what is—
1. The municipal land evaluation?
2. Farm land evaluation?
3. Evaluation of industries?
4. Municipal land evaluation of towns?
5. (a) Factories separate?
(b) Factories included?
6. The number of farmers in each province?
7. The number of manufacturers in each province?
8. The evaluation of villages not included in farms or industries?

Hon. Mr. DANDURAND: I would suggest that my honourable friend transform this inquiry into a motion for a return, as the Department of State will have to communicate with all the provinces.

The motion for a return was agreed to.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

Hon. A. B. GILLIS: Honourable gentlemen, I should like to call the attention of the House to a statement made by the honourable gentleman from Portage la Prairie (Hon. Mr. Watson) in the course of his remarks the other day:

> At last Session an opportunity was presented to the opposition to those Bills to pick out the ones from which they dissented; but the Senate said: "No, we will throw out the whole Bill," and all the charters were thrown out.

As the House will remember, last year a Bill covering some twenty-five or thirty branch lines was brought in the day before prorogation. When an opportunity was presented to the members of this Chamber to deal with each line separately I have not been able to discover.

Hon. Mr. DANDURAND: I regret that I have to draw my honourable friend's attention to the fact that he is transgressing a rule of the House. As these Bills will come back from Committee, my honourable friend will have an opportunity to go back to the history or the attempted legislation of last year. I doubt that my honourable friend should raise a debate at this moment. There is nothing before the Chair.

Hon. Mr. GILLIS: I was merely calling the attention of the House to a statement that is not correct.

Hon. Mr. WATSON: Oh, yes, it is correct.

Hon. Mr. CASGRAIN: Make a motion.

Hon. Mr. GILLIS: If the House does not wish me to proceed, I will bring the matter up later when the Bills are before the House.

The Hon. the Acting SPEAKER: The honourable gentleman had better give notice of motion.

Hon. Mr. BOYER.

DIVORCE BILLS

THIRD READINGS

Bill V4, an Act for the relief of James Koniaris.—Hon. Mr. McCall.

SECOND READINGS

Bill W4, an Act for the relief of Philip R. Marshall Palmer.—Hon. Mr. Haydon.

Bill X4, an Act for the relief of George Felix Simpson.—Hon. Mr. Bennett.

PRIVATE BILLS

THIRD READING

Bill 17,, an Act respecting the Montreal, Ottawa and Georgian Bay Canal Company.—Hon. G. V. White.

Bill J3, an Act to amend the Act to Incorporate the Board of the Presbyterian College, Halifax.—Hon. Mr. Stanfield.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from May 28 the adjourned debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:
(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.
(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.
(c) The employment or engagement of one Aronovici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.
(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.
(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.
(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.
(g) That the said inquiry shall be subject to the condition that no matter of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.
(h) That the said Committee be composed of the Honourable Messrs.
(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necesary for the purpose of the inquiry.

Hon. Mr. DANDURAND: Honourable gentlemen, I desire with the leave of the

House to make a statement in connection with this motion, upon which I have already been heard, with the view of finding a solution for the question raised by the honourable gentleman from New Westminster (Hon. Mr. Taylor) and involved in this motion.

Last week I suggested that, before this Chamber began investigation of the charges laid by the honourable gentleman, it would perhaps be fair to await the report of Mr. Temple, who had been entrusted with the duty of inquiring into those charges. Mr. Temple is now in Ottawa with the attorney who for a time was engaged with him in inquiring into charges of wrongdoing against some employees of the Canadian National Railways. Mr. Temple has with him all the evidence that he obtained and his report. Inasmuch as the evidence covers 2,000 pages, and the report analyzing the evidence is a lengthy one, consisting of perhaps 75 or 100 pages, it would be very difficult for this Chamber to examine into the matter without, at all events, having the report itself printed; and even then we should simply have a key, which would leave us to review the whole of that evidence. I therefore throw out the suggestion that a Special Committee of say six members of this Chamber, who are also members of the bar, three of whom would be nominated by my honourable friend who leads the Conservative party in this Chamber, and three of whom I would nominate, be appointed to examine into the evidence and the report of Mr. Temple. Mr. Temple would be at the service of the Committee, and the honourable Gentleman from New Westminster (Hon. Mr. Taylor) could attend its sittings. The members of the Committee would be gentlemen who are accustomed to examining and weighing evidence, and who could report upon it to this House. That seems to be the shortest and best way of determining the value of the inquiry and the report upon the evidence which was gathered at Vancouver.

If this suggestion appeals to my honourable friend from New Westminster and to this Chamber, I would make the motion now, leaving a blank for the six names which could be filled in later. This is the proposal I submit to the House.

Hon. Mr. TAYLOR: May I ask the honourable gentleman what is the purport of the report?

Hon. Mr. DANDURAND: Is the honourable gentleman referring to the report of Mr. Temple?

Hon. Mr. TAYLOR: Yes.

Hon. Mr. DANDURAND: I have not read the report, but I suppose it contains the conclusions of Mr. Temple upon the evidence adduced before him.

Hon. Mr. TAYLOR: But surely we are entitled to know what those are.

Hon. Mr. DANDURAND: That is just what I do not want to ascertain for myself. I may be obliged to do so at a certain time—

Hon. Mr. McMEANS: Is it guilty or not guilty?

Hon. Mr. DANDURAND: Of course I do not know. My idea is that, whatever the verdict may be, a small committee of members of this Chamber who belong to the legal fraternity will be better able to examine the evidence and report to the House. I am simply following up the suggestion which I made previously, that until we had the report of Mr Temple we were at sea; that we could not appreciate the merits of the charges until we had the evidence which was being or had been gathered by Mr. Temple. Now, that evidence is here. I am in the hands of the Senate. I am quite sure that we shall be led nowhere if I lay on the Table 2,000 pages of evidence, with a report of 75 pages; because every member will be entitled to ask permission to read that evidence, and it would take a few years for it to go around. Everyone is entitled to weigh the evidence and give his own judgment. Therefore, inasmuch as it is impossible for every honourable member to assume the task of reading that evidence, or even the 75 pages of the report based upon the evidence, I suggest the simple method of having a small committee of lawyers who would devote a few hours to that task, having at their side the honourable member for New Westminster (Hon. Mr. Taylor) and Mr. Temple, who would be there to give explanations and answer any questions that the Committee desired to put.

Hon. Mr. TAYLOR: Honourable gentlemen, with the permission of the Senate, and in answer to the honourable gentleman who has just spoken, I would remind him of the saying with which we are all familiar that surely in vain is the net spread in the sight of any bird. I would suggest to him that I am a somewhat old bird. The proposition laid before us is not quite so disingenuous as it appears. It must be remembered that Mr. Temple is counsel for the Canadian Government Merchant Marine. He was assisted in this inquiry by another counsel specially retained to serve the Canadian Government Merchant Marine.

Hon. Mr. DANDURAND: Would my honourable friend allow me to ask him a question?

Hon. Mr. TAYLOR: Yes.

Hon. Mr. DANDURAND: I understand that Mr. Temple is the Regional Counsel for the Canadian National Railways at Winnipeg; that Mr. Haffner, who may or may not be connected in some way with the Canadian National Railways, has been retained as counsel from Winnipeg. So I am surprised to hear my honourable friend say that Mr. Temple has been counsel for the Canadian Government Merchant Marine. I would rather believe that his activities have been connected with Canadian National Railway matters in Winnipeg, but not with the Merchant Marine. Winnipeg happens to be in the centre of this continent, and I doubt that Mr. Temple would have anything to do with the Merchant Marine on either ocean.

Hon. Mr. TAYLOR: Then, honourable gentlemen, let us say the Canadian National Railways, of which the Canadian Government Merchant Marine is a branch. In Mr. Temple's own letters to me his name appears as counsel along with the names of the counsel at Vancouver and that of the Vice-President, who is in charge of legal affairs' and by whose direction Mr. Temple has been at Vancouver. That Vice-President has already on three occasions committed to writing the statement that there is no foundation whatever for the charges that I have brought forward. He sends his subordinate out there to make a report upon charges which he has already judged three times, and as to which he is irrevocably on record.

The Regional Counsel at Vancouver is also involved in this up to the neck, because it was through his activities that the first inquiry failed; and his activities were very largely directed, as I informed Mr. Temple when he was out there, to making abortive this investigation also. I made direct representations to Mr. Temple how his associate counsel there was tampering with witnesses intended to be brought before Mr. Temple.

I do not know whom Mr. Temple has called. I do know that witness after witness whose name I gave him as that of a person in a position to offer material evidence, was not called. I did not pretend to give him a complete case at all—

Hon. Mr. DANDURAND: Will my honourable friend allow me to say that I saw Mr. Temple for half an hour last evening, and the first question I put to him was this: "Did you receive from Senator Taylor a list of the witnesses to be called?" He said, "Yes." "Have you called all those witnesses?" He answered: "They were all called and heard except one, who, for reasons specially known to Captain Boyd, was not available." This is the answer I have received from Mr. Temple.

Hon. Mr. TAYLOR: I am sorry to say that Mr. Temple's answer is not accurate.

Hon. Mr. DANDURAND: But would not my honourable friend be able at a meeting of the small special committee which I suggest, to establish those facts? We are at present absolutely at sea.

Hon. Mr. TAYLOR: A special committee to examine the evidence for one side only? The honourable gentleman was eloquent the other day about ex parte statements. Here he asks us to take the ex parte statement of the Regional Counsel of the Canadian Government Merchant Marine, who was out there with a force of private detectives, with a private car and the head of the service. And this whole force of detectives seem to have been unable to find any witnesses excepting the very few whose names I gave. Mr. Temple was supposed to be making an inquiry, not simply taking evidence on behalf of his Company against the evidence I presented to him; but so far as I know he heard only one side.

I call attention to the fact that there is not quite the good faith and the frankness that one would expect from Mr. Temple in dealing with me. We were informed last Thursday that he was on his way here, and, if that information was true, he arrived on Saturday. This is the following Thursday, and I have yet had no communication from him, although I have been in Ottawa all the time. As he held that investigation at my instance, one would think that in ordinary courtesy, if he is holding a fair balance between the Company and myself, he would tell me as well as the President of the Company that he had his report, and would show it to me for my inspection. I could read a report of 75 pages in much less time than the honourable gentleman indicates, and could come to some conclusion, whether Mr. Temple has been trifling with the commission given him or whether he has made an honest effort to ascertain the facts. As I see the matter, he has not answered the case that I presented to him; he has simply brought the arguments of his Company's officials to meet every point that they

can possibly meet, but has not effectively met the case, and, particularly, has not gone into other matters brought to his attention. For instance, on the very last day he was in Vancouver he discussed with another investigator the fact that there were a large number of business men in that city who had made sworn statements for Sir Henry Thornton's eye about the scandalous conditions prevailing there. As he left Vancouver that very day, it is evident to me that he took none of the evidence of that large number of business men the existence of whose statements was known to him on the 7th of May.

Hon. Mr. DANDURAND: Will my honourable friend allow me? I have, with considerable disinterestedness, made the suggestion that a small committee of members of the bar who belong to this Chamber be appointed to examine into all these questions in the presence of my honourable friend and in the presence of Mr. Temple. Can my honourable friend suggest any other means by which the Senate will know what is the real value of the work done by Mr. Temple? We are all bent upon trying to get at the value of the evidence that was taken, and the sincerity and diligence and honesty of the inquiry, and also on knowing if the report is really based on the evidence as it appears. Now, having made that suggestion. I would like my honourable friend to give me an idea as to how this Senate will be able otherwise to judge of that work.

Hon. Mr. TAYLOR: As I see the matter, this report is in precisely the same position as loaded dice in a gambler's hands would be; therefore I do not wish to risk anything on playing with loaded dice. I feel quite satisfied that the case which I have laid before Mr. Temple cannot be honestly met, and has not been met.

Hon. Mr. ROBERTSON: Honourable gentlemen, might I offer a suggestion for the consideration of both the gentlemen who have just spoken? A few days ago the honourable leader of the Government observed that reference to this subject in the House might well have been postponed until Mr. Temple's report was available, when the honourable member from New Westminster would have the advantage of the contents of that report for his information, and if not then satisfied with the investigation he could take the action that he is proposing.

Seeing that that report is now available, and that the gentlemen who made that report are now in Ottawa, would it not be proper and fair that the evidence, together with the report which summarizes the findings of the Commissioner, should be placed in the hands of the honourable member from New Westminster, and that he should take such time as he requires during the next few days to go into it thoroughly? If he is not then satisfied that the answer to his charges is complete and that the investigation is satisfactory, let him pursue his quest for a further inquiry in the House. Instead of submitting the evidence to a Committee, let the honourable member for New Westminster at least have an opportunity to examine whether in his opinion the report is based on the facts or whether it is biased, as he seems to think it is. I beleve that should be the first step.

Hon. Mr. DANDURAND: I hardly think that would be fair to the Commissioner, who has been pretty severely handled by the honourable gentleman from New Westminster. I do not say that with any insinuation that he was too severely handled, but as a matter of fact the honourable gentleman has not treated Mr. Temple very tenderly. Now Mr. Temple brings in his report. Unfortunately he has only his original, and I may say, in answer to the honourable gentleman from New Westminster, that he brought his report to the President, or to the head office. When I saw the President on Saturday last, after conferring with some members of this Chamber from both sides, he was expecting the arrival of Mr. Temple, and he said that if the report was short he would read it, but if long he probably would not. He added that it was not his duty to do so, but he would see that the report and evidence were handed over to the Minister of Railways, through whom both Chambers could obtain it for their own use. I understand that the report was sent to the Minister of Railways either on Monday or Tuesday. Tuesday was a legal holiday. Today is Thursday, and Mr. Temple has been waiting, and he will remain here by order, so as to be at the disposal of the Minister of Railways or of this Chamber.

But is it not fair that the report be read by a certain number of members of this House in whom the Senate reposes all confidence, and that the reading be in the presence of the honourable gentleman from New Westminster, who laid the accusations, and in the presence of Mr. Temple, who will, if necessary, indicate the pages where evidence called for can be found; and if a discussion is raised by my honourable friend as to the value of testimony, or the veracity of some witnesses, that small Committee would be able, with the assistance of the honourable gentleman from New Westminster and Mr. Temple, to go through the report in a very few sittings.

In order to comply with the suggestion of my honourable friend, the ex-Minister of Labour (Hon. Mr. Robertson), a copy of the document would have to be made, the original remaining in the hands of the Minister of Railways. Then where would we be, when the honourable gentleman from New Westminster declares—

Hon. Mr. TAYLOR: But he made more than one copy.

Hon. Mr. DANDURAND: I asked if he had more than one copy, and I understood that only the original copy was brought here.

Hon. Mr. TAYLOR: I do not think anyone can entertain that suggestion, that with 2,000 pages of evidence only a single copy was made.

Hon. Mr. DANDURAND: Of course I do not know; that is what I gathered from the short conversation; I may be wrong. When the honourable gentleman has read those 2,000 pages he will have satisfied himself; but, in view of the stand he takes in the face of a judgment by the Wreck Commissioner, who found against Captain Boyd on many of the charges which were investigated, should we not have to declare that all that work done by Mr. Temple and his report should be thrown aside because the party who made the accusations, but who did not hear all the witnesses, declares himself unsatisfied? I believe the Senate should not accept that affirmation and that situation as a basis on which to start an inquiry for itself.

It seems to me that the Senate is entitled to have a small impartial Committee examine into this matter and tell us their view. If we hand this big record of 2,000 pages to the honourable member for New Westminster, who started by affirming his strong belief in all the accusations before the report was made, we can quite realize what his conclusions will be; but where will the Senate be? The Senate will be where it was when the honourable gentleman made his denunciations a week or two ago. But the Senate all the same will require some kind of corroboration of the opinion of my honourable friend. I do not say this because I distrust the judgment of my honourable friend. But he has taken an uncompromising position; and as between him and Mr. Temple, who for a month or more has gathered evidence, seen all the witnesses, and with a court stenographer taken 2,000 pages of testimony, it seems to me that the Senate will ask the honourable gentleman from New Westminster to give it a chance of finding with unbiased eyes the value of that evidence.

I do not ask my honourable friend to agree immediately to my suggestion. I simply ask him to move the adjournment of this debate, and think over the suggestion that I have made, and if he can find a better one, I will act upon any suggestion that will solve the difficulty. The suggestion of my honourable friend the ex-Minister of Labour would leave the matter in the hands of the accuser, with 2,000 pages of evidence to sift and examine, and we would come back here with a strengthened conviction in the heart of my honourable friend from New Westminster that the evidence had not been taken as it should have been. Yet we would have his ipse dixit. I suggest that three members of this Chamber indicated by my honourable friend the leader of the Conservative party, and three by myself, would in a few sittings be able to sift the evidence and give to the Senate its opinion thereon.

Hon. Mr. ROBERTSON: I am still quite unable to follow my honourable friend's reasoning, in view of the fact that very recently, when this matter was under discussion, the honourable leader of the Government fiercely and vehemently, and I think with a good deal of conviction, declared that the step taken by the honourable gentleman from New Westminster might well have been withheld until the report of the Commissioner had been brought down. Now that report is available, and I am only suggesting that the procedure which the honourable leader of the Government himself proposed a few days ago should be followed now—that the report be placed in the hands of the gentleman who made the complaint, and if he is satisfied that the investigation has been a fair one, and that the facts have been brought out, that may end the matter. If it does not, then we would be just where we are now, and an investigation would probably be asked for, in accordance with the motion before the House. My suggestion was thoroughly in keeping with the recommendation of my honourable friend a few days ago, and therefore I fail to see why he takes such serious exception to it now.

Hon. Mr. DANDURAND: I am not taking exception. I say the report is here with the evidence; I can lay it on the Table, or it could be asked for; but where will that lead us? In order to ascertain whether the evidence is conclusive or satisfactory, I suggest that we have a small Committee to examine into it and report. My honourable friend suggests that the honourable gentleman from New Westminster should examine it and give his opinion; but if the report is not according to his views, where is the Senate?

Hon. Mr. ROBERTSON: Just where it is now.

Hon. Mr. BENNETT: The Senate would be in this position, that it would have accepted as true statements that are presented by the Commissioner but which are not verified under oath, as against the statements of the honourable gentleman from New Westminster, who has pledged his honour, as a member of the House, on what he is to prove.

Hon. Mr. TAYLOR: Will the honourable gentleman tell me if, when he was speaking to Sir Henry Thornton, that gentleman advised him that he had had an official report from Vancouver that this investigation was a farce and a travesty on justice?

Hon. Mr. DANDURAND: No, he did not tell me anything of the kind, and our conversation did not bear on that.

Hon. Sir JAMES LOUGHEED: I think my honourable friend overlooks this all-important point in considering this question, that is, the right and privilege of the honourable gentleman from New Westminster to request, or even demand, an inquiry from this House into the charges which he has made. If a preliminary inquiry were made by a Committee to consider the evidence which has been submitted, and to report to this House, though it might occupy very considerable time, it might prove abortive; but notwithstanding any report of that Committee, my honourable friend would have a right, in his place as a member of the Senate, to make a request for an inquiry on those subjects.

In view of the fact that this inquiry which has been conducted by Mr. Temple, and also I understand by Mr. Haffner, originated with my honourable friend from New Westminster, and was practically made on his behalf, it would seem to me but reasonable and logical that the result of the inquiry should be placed in his hands. What would be the consequence if that were done? No doubt my honourable friend would peruse the contents of that report with very great interest, and, on the conclusion of his consideration of the report, he would form a judgment, as to whether or not he would proceed further with it. He would then be in a position to say whether the witnesses upon whom he relied to establish his charges had been called by Mr. Temple, whether they had given the evidence before him that they represented to my honourable friend as being able to give; in short, whether the inquiry had been equivalent to what my honourable friend has proposed should be made. Would it not be very much better that he should be made familiar with the contents of the report? If it proves unsatisfactory, I am sure my honourable friend will not hesitate to state to this House that he is dissatisfied with the inquiry that has been made. However, upon investigation it may appear that all the witnesses were called by Mr. Temple whom my honourable friend expected to be called, and though they might have made statements to controvert what had been suggested, yet my honourable friend may possibly be disappointed in the witnesses whose names he gave to Mr. Temple, and he may not consider it advisable to proceed further. On the other hand, he may conclude that the inquiry was absolutely inadequate to the circumstances which warranted the investigation.

I therefore fully agree with my honourable friend from Welland (Hon. Mr. Robertson) that the first step to be taken should be to place in the hands of my honourable friend from New Westminster the results of this inquiry. Then it would be for him to say whether he would assume the further responsibility of proceeding in this Chamber. If he did so, there would then be time enough to consider the proposition that a small Committee should dissect the evidence. But, instead of that Committee considering the evidence, it has been proposed by my honourable friend that its work could be very much shortened by Mr. Temple and Mr. Haffner appearing before it and stating within an hour or two what had been done. I do not think it would be at all necessary to go through 2,000 pages of evidence, if we are to discharge the multiplicity of duties which will fall upon us between now and the end of the month, when it is hoped that prorogation will take place, though I very much doubt it. I fear there will not be time for the perusal of 2,000 pages of evidence, and to give proper consideration to the contents of a document so voluminous.

Hon. Mr. DANDURAND: That is why I thought that Mr. Temple should remain here for the purpose mentioned.

Hon Mr. BEIQUE: Honourable gentlemen, I have the misfortune of not agreeing with either the leader of the Government or the leader of the Opposition. As I understand the matter, it stands in this way. The honourable gentleman from New Westminster has made charges against certain officials of the Canadian Government Merchant Marine. These charges have not been followed up by any motion for inquiry by himself—

Hon. Mr. BENNETT: There is my motion.

Hon. Mr. BEIQUE: —but by the motion of the honourable member from Simcoe (Hon. Mr. Bennett), so that the matter is before the House. The leader of the Government urges that before passing upon the motion it would be proper to know what had been done under this inquiry which was originated at the instance of the honourable gentleman from New Westminster (Hon. Mr. Taylor) on one of the principle matters covered by the motion, and he urges that the honourable gentleman was a party to the inquiry in that he had prepared the brief containing the accusation and naming the witnesses, and which had been submitted either to the President of the Canadian National railways or to Mr. Temple himself.

Hon. Mr. TAYLOR: I did not pretend to give him the list of witnesses. Mr. Temple's Commission was a commission of inquiry. I gave to him the names of witnesses who had come to me. I did not pretend to give him a complete case.

Hon. Mr. BEIQUE: As far as I am concerned, I must say that it occurred to me, the moment I was informed that such a course had been followed, that this honourable House would not take it upon itself to vote upon this motion before ascertaining what had been done under that inquiry; particularly as we were told that we might expect a report at any moment. Now we are informed that the report has been made and is in Ottawa.

I think the course to be followed is to deposit the report before this honourable House; then it will be open to the leader of the Government to make his motion, and it will be for the House to decide how the report should be dealt with. The first thing it seems to me, is not to send the report to the honourable gentleman from New Westminster (Hon. Mr. Taylor). It is the House that is entitled to have the report, and therefore it should be deposited before the House.

Hon. Mr. DANDURAND: In order that it may be deposited regularly I would suggest that a motion be made to that effect.

Hon. Mr. BEIQUE: I will move it.

Hon. Mr. BENNETT: Did I understand the leader of the House to say that he had consulted certain gentlemen on this side of the House, who approved of his conversation?

Hon. Mr. DANDURAND: I said that after consulting some members of this Chamber I had had a conversation with Sir Henry Thornton on Saturday, but that it did not bear on this procedure.

Hon. Mr. BENNETT: Oh, it had nothing to do with this matter.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: With the leave of the House I would move that the report of Mr. Temple be deposited on the Table, with the evidence.

Hon. Sir JAMES LOUGHEED: Has my honourable friend from De Salaberry (Hon. Mr. Béique) considered this point: that this is not such a document as is laid on the Table of Parliament? It is not the report of a Department of the Government, nor one to which Parliament is entitled; it is not a report made at the instance of Parliament; in fact, it does not bear the imprimatur of Parliament in any sense. The practice followed in laying papers upon the Table of Parliament is that they must be in the custody of the Government and be laid on the Table for the information of Parliament. This is simply a document of the Canadian National Railways Company.

Hon. Mr. BEIQUE: I am sure the honourable gentleman will not deny me the right to ask for the papers.

Hon. Sir JAMES LOUGHEED: Oh, no. It is rather academic than otherwise. My honourable friend suggests that it is such a report as the House might be entitled to; but the action taken might be regarded as a precedent; and in the future would prove rather embarrassing if we had the right to say to the Government: "We want you to bring down a document over which Parliament has no control, and lay it on the Table of Parliament."

The Hon. the Acting SPEAKER: I think it devolves upon me at this juncture to inform the House that everything that has been said so far is altogether irregular. The question before the House is the resumption of the debate on the motion of the honourable gentleman from Simcoe (Hon. Mr. Bennett) for the appointment of a Committee to inquire into certain charges made by the honourable gentleman from New Westminster (Hon. Mr. Taylor). I do not think there is any other question to be put; therefore the motion of the honourable gentleman from De Salaberry (Hon. Mr. Béique) is quite out of order.

Hon. Mr. BEIQUE: It is in order if it is with the leave of the House.

The Hon. the Acting SPEAKER: I think the motion is also irregular on the ground just mentioned by the leader of the Opposi-

tion (Hon. Sir James Lougheed). I do not think the House can make an order of this kind. This is not a document which has an official character.

Hon. Mr. DANDURAND: I do not know to what extent I may do violence to the rules of the House, or fall under any penalty clause, but I am ready to bring down the report and the evidence and lay it on the Table. Of course, I would have preferred to have done so in answer to a call from the Chamber. Since the document is now in the possession of the Minister of Railways, I wonder whether we are not entitled to have it before us?

Hon. Sir JAMES LOUGHEED: Oh, bring it down and take the consequences.

Hon. Mr. DANDURAND: I would suggest that my honourable friend who has the floor (Hon. Mr. Taylor) should move the ajournment of his motion until Tuesday or Wednesday next; then we could regularize the position, with the general consent of the House, by having this motion carried.

Hon. Sir JAMES LOUGHEED: It will not break the Constitution.

Hon. Mr. DANDURAND: Is the honourable gentleman disposed to adjourn the debate?

Hon. Mr. TAYLOR: If I am in order, I am quite content to adjourn it, provided that I am heard for a few moments first. I want to set myself right as to the measure of distrust I have with respect to the methods followed by Mr. Temple. I do not think the leader of the House is right in saying that I treated Mr. Temple with severity or discourtesy before to-day. Until to-day I have restrained my real opinion of the Temple inquiry, so there is no ground for offence. I should like to show to the Senate the kind of evidence Mr. Temple rejected.

Hon. Mr. TESSIER: That is discussing the report.

Hon. Mr. DANDURAND: My honourable friend is entering into a discussion of the inquiry before he has the evidence in his hands. Surely he would rather postpone that work until he has all the documents in his hands.

Hon. Mr. TAYLOR: If we are discussing the Order of the Day, I am in order.

When I was home last, I called up Mr. Temple on the phone, and asked him, as I have told the House before, for an appointment. He declined to make an appointment. Notwithstanding that he had been there for four weeks, at my instance, making an inquiry of mine, he had no time to see me. He intended to stay there two or three weeks more. I said to him then, when he had no time to see me: "What have you done about that policeman's case?"—because a man had been in my office telling me that no evidence had been called—and he said: "I have had nothing about that." "But," I said, " you have. As I telephone you I have before me the evidence taken by your own man." He said: "I repeat to you that I have nothing about that at all." Then he asked me to luncheon, and I attended at luncheon the next day and gave him the evidence taken by his own investigator ten days before he had told me he had not got it at all.

Hon. Mr. HAYDON: May I ask of what date is the honourable gentleman speaking?

Hon. Mr. TAYLOR: I left Westminister, speaking from memory, about the 24th of April. This would be three or four days before I left—say the 20th of April.

Hon. Mr. HAYDON: Was not the investigation begun long before that?

Hon. Mr. TAYLOR: Oh, yes.

Hon. Mr. HAYDON: And, if I am in order, may I ask if the honourable gentleman himself was not in attendance at the examination?

Hon. Mr. TAYLOR: If the honourable gentleman had done me the honour of reading what I said in this House, he would know the answer to all those questions. What I said was that, having notified Mr. Temple three weeks before he started investigation that I had to leave for Ottawa on the 27th of March, and although he arrived in Vancouver seven or nine days before that, he started his investigation on the afternoon of the last day that I could be in Vancouver; and that I was present on the afternoon of that day. My next interview was when I came back a month later. I asked what progress he had been making, and he had no time to talk to me at all.

This is the evidence I showed to him at the luncheon table the next day, and which he said he had not received, although the investigator had taken it ten days before. I will not read the names of the principals. I will call the policeman "Mr. Constable," although I am prepared to give his name if I am asked to do so. This is the statement of Edgar Mahy, taken by Mr. James R. Knight, an official investigator of the Canadian National railways:

Q. You were at one time I believe in the employ of the C.G.M.M.?—A. Yes, on the government dock.

Q. What was your occupation?—A. Watchman and tie-up ships, etc.

Q. Who were you employed by?—A. The wharf constable.

Q. At one time I believe he lived next door to you?—A. Yes.

Q. And it was through his living next door that you got your employment on the wharf?—A. Yes.

Q. Approximately how long did you work down there?—A. About seven months, until sometime about this time last year, April 1923.

Q. During your employment at the government wharf what have you seen take place in the way of stealing by the constable—A. The first thing noticed was tea—I saw him down there with another fellow, putting it into a sack. A few days afterwards I spotted the same sack and of course it was the tea that was in it.

Q. Anything else?—A. Well, I saw him climb the cage and get liquor and come back over the cage and go out with it, when I watching that night.

Q. You previously mentioned something about pineapples?—A. That is right, they had a big shipment of pineapples and as it was badly battered there was a lot of coopering to do on one shipment, and Mr. Stewart and I had to recooper that at night, after the shed was closed. At 12 midnight we had our lunch, and constable stayed around until we had finished our lunch to watch his chance to get away with his grip; and Mr. Stewart and I saw him while we were back at work . . . he quickly searched in the locker for his grip, then rushed out through the door, and he then had the pineapples in his grip.

Q. Now tell us what you know about the coal, exactly what you have seen?—A. There was coal down there on railway trucks, brought down there I suppose for shipment: he had it loaded in sacks, because I saw it done myself, and I even helped him when he came up here to unload it off the truck. That was government property, or I presume it would be anyway, as it came off the dock.

Q. I believe you have assisted this man to build his house, at various times?—A. Yes, I have.

Q. Did he pay you for this work?—A. No, only occasionally when there was a boat coming in, instead of calling me to help to go down and tie it up, he told me to stay there and he would book in my time, which the Merchant Marine had to pay for.

Q. How many times did this happen, to the best of your knowledge?—A. Five or six times, anyway.

Q. At the time you went to visit Mr. Turtellotte, what was the nature of the visit?—A. We went there to see if there was anything against me, as Mr. Constable was trying to put me off the government dock; and Mr. Turtellotte inquired from Mr. Tidy, and Mr. Tidy said there was absolutely nothing against me at all, that he had received no complaints of any sort and that as far as he was concerned I was fully capable of doing my work.

Q. Did you make any complaint to Mr. Turtellotte as to thieving on the part of Mr. Constable; and if so, what reply did he give you?—A. I did complain to him, and he said he would inquire and find out the reason for it.

Q. You claim to have seen two trucks on the premises of Mr. Contable?—A. Yes.

Q. How long have they been there, to your knowlerge?—A. Practically nine months.

Q. Do you know to whom they belong?—A. I think the harbor board.

Q. Did you see them come to his house at any time?—A. Yes I saw them.

Q. Were they loaded or unloaded?—A. Loaded with lumber.

Q. How many times have you seen these trucks come loaded?—A. At least five or six times—it would be hard to count them.

Q. How were the trucks hauled?—A. By Mr. Constable's car.

Q. Have you ever seen any shingles go to his house?—A. Yes, in his automobile—why I helped unload them myself on his premises.

Q. Do you know where they came from?—A. From the government dock.

Q. Did you see them load to his auto?—A. Yes.

Q. Have you at any time been in the house?—A. Yes.

Q. What have you seen there in the way of stolen property?—A. Liquor, flour, bacon, hams, dried fruit, canned fruits, syrup, sauce, tea, paint, brushes, blankets, pillows. . . lots of things.

Q. What was said to you with reference to the flour?—A. He told me he checked in the stores because the Chief Stewart was drunk and could not check them in. When he saw him afterwards, when the Chief Steward got sober, he thanked him very much for checking his stores and gave him the 100-lb sack of flour.

Q. Have you seen him take gasoline from the jtneys?—A. Yes, I have, on various occasions, also oil for his engine.

Q. Did he tell you what he wanted the paint for?—A. Yes, to paint his house, because he was going to build.

Q. Is there anything further you would like to bring out at this time?—A. No, that's about all I can think of just now.

Edgar Mahy.

Witness:
Jas. R. Knight.
R. H. Mayall.

Hon. Mr CASGRAIN: Is that sworn to?

Hon. Mr. TAYLOR: No, it is not sworn. When I showed him this next day, he said: "Oh, since you spoke to me yesterday I have inquired about that, and the man who makes this statement is a discharged employee, and therefore his evidence would be inspired by malice."

Before I went to Ottawa, I had given the name of a man called Stewart who had talked to me and impressed me as a reliable man. I met him only for the one interview. I did not take his statement. I gave his name, his address and his phone number to Mr. Temple, and to Mr. Page, the head of the Investigation Department, and asked them to get Stewart's statement. When Mr. Temple told me this other man was a discharged employee I said: "But, did you get Stewart? He is not discharged." He said: "Oh, no, I inquired about him, and he left the service with a grievance."—Therefore he would be wrongly inspired. His grievance was that he refused to work with a thief; he said that was why he left the service. Then there was a man named Hilton, I think, who talked to me a few days before. I said: "Did you get Mr. Hilton?" He said: "I never heard of him.' I said "Where is your Investigation Department? He was neither discharged nor did he leave with a grievance. He was a

watchman and had most material evidence. Did you get him?" And he said no. That is the way Mr. Temple made a complete inquiry. I wrote him then a letter calling his attention to these omissions and my dissatisfaction with the proceedings because he had only taken some of my witnesses and had devoted all his attention to contradicting them with evidence from the officials of his company. He says in his reply to me, which is dated April 28th:

Referring to the evidence of the witnesses in regard to pilfering, this is a separate matter and I have not rejected any evidence.

When I spoke to him before, he told me he was not going to take it, for the reasons I give you. He did take it after I laid this before him at the lunch table, in the presence of Mr. Haffner, and showed it to Mr. Haffner also. The letter goes on to state:

I have not only the statement of the witnesses you refer to, but also the statement of the man accused, and am having further investigation made as I promised you.

In my mind there is no doubt whatever about that constable. I not only had three seemingly reliable witnesses tell me about him, but I made side inquiries as to his general character and satisfied myself from those inquiries that he was the type of man who probably would do what he was accused of doing. I would like to see from Mr. Temple's report what he has found about him, and whether or not he is still on the job. There are one or two cases like this, that I know so well, and if Mr. Temple can spend seven weeks there and find no cause of complaint against a man as to whom the evidence is simply overwhelming, then we can form some estimate as to the value of a report from that source.

I asked Mr. Temple also about the report from the dockyard. My evidence from the dockyard was that no repairs such as indicated in the certificates were done on that vessel. When he had declined to tell me what his finding would be, or give me any inkling of it, I said: "Have you met the dockyard evidence, as to which I gave you a statutory declaration?" "Oh, yes," he said; "I have called the manager of the company, and he denies it in toto." Now, the manager of the company is the man who got the $8,500. The evidence given to me is that he earned no part of the $8,500; that the whole thing was a fake; that there was no occasion for putting the ship into dock at all. And here is the evidence which was given to me, and which, according to all that Mr. Temple would tell me when I saw him, was met, not by calling any of the men who had done the work, but by calling the manager, the man who had got the money. It is his evidence that would be offered to the Committee of this House, and they could only compare one sheet of typewriting against another sheet of typewriting, without any knowledge as to the circumstances of the parties.

Hon. Mr. DANDURAND: But what real knowledge has my honourable friend as to the evidence that was adduced on that point?

Hon. Mr. TAYLOR: Mr. Temple's statement.

Hon. Mr. DANDURAND: Yes, but Mr. Temple was there for three weeks after my honourable friend left him.

Hon. Mr. TAYLOR: Mr. Temple told me that he had closed the case and that he would take no more evidence upon it. I have only his word for that. Here is the document which I objected his meeting with the evidence of the manager of the company. It is a statutory declaration:

I, Stanley Mark, of 129 Sixth Street West, North Vancouver, make oath and state as follows:

That in August, 1922, I was employed at the dry dock at Prince Rupert, B.C. I remember that the steamship Canadian Farmer was in dock during that month.

I was one of a gang, namely rivetter, holder on and heater, employed at work on the Canadian Farmer while she was in dock on that occasion. I have before me now a document which I have signed for identification, purporting to show the certificate of survey held at Prince Rupert on this occasion, and showing the following damge to the Canadian Farmer:

1st keel plate numbering from stem set up over five frame spaces;

10th plate all more or less badly set up over six frame spaces;

Port side: in "A" strake of shell plating the 11th plate set up over five frame spaces in way of keel plate landing;

Starboard side: first length of bilge keel more or less buckled over five frame spaces;

In way of damage the floors and reverse frames buckled;

Rivetting started and caulking sprung.

These are the six items certified to by three officers high in the employ of the Company and the Government, who made solemn declaration that all that damage was apparent on that ship. Here is what the man who worked on the ship, and who says he was one of only three who did work on it, says about those several items:

As to first keel plate—

That is one that is said to be "set up over five frame spaces." Now, five frame spaces would be, I suppose, a set up over twelve and a half feet. There are about two and a half feet between the frames, as I understand.

As to first keel plate, I and my gang worked on this. We took out about a dozen rivets all told, from here and there over the plate.

There are hundreds of rivets in every plate.

We picked these out because we found them loosened through rust. This plate was not set up, nor was there on it any other sign of collision damage. No attempt was made to fair plate; we simply put new rivets where we had taken rivets out.

As to 10th plate—

That is represented on the certificate as 'all more or less badly set up over six frame spaces"; that is, it was said to be twisted out of shape over fifteen feet, according to the certificate.

As to 10th plate: We removed this plate, on which there was a small dent, or as it would be called a "set-up." When we started work on this plate it was quite watertight, and there was no apparent necessity for removing it. The dent could have been eliminated by drawing, or fairing in place, as this would be described. To take this plate off we had the assistance of five or six other men, and it was a hard job. When the plate was off we took it to the blacksmith shop. So far as I know it was not taken to the rollers, which are in another part of the yard. My gang received the plate again at the blacksmith shop and brought it back to the dock, where we replaced it on the ship. It proved very difficult to make a job of the caulking when the plate was replaced, on account of the plate being a little short and we had to acetylene weld it. Even after this the plate was not watertight, and was not in so good condition as when we started to take it off. I note the expression "set up over six frame spaces," as to which I have to say that this is not correct. The set up was simply a dent between two frames. I observed the condition of the frames when the plate was off; they were in perfect condition, with no set up or other sign of damage. I observed also the floors in that vicinity; they too were all right, with no sign of damage. No work was done on either frames or floors; I am quite sure of that.

As to 11th plate—

The representations about the 11th plate were that it was "set up over five frame spaces in way of keel plate landing." That is twelve feet, again.

As to 11th plate, all that was done to that was to remove about eight or ten rivets, found rusted or loose from other cause. The boss indicated which rivets were to be taken out; but as to some of them there seemed no apparent reason for removing them. This plate was not damaged at all, let alone set up over five frame spaces as I read here.

The bulkhead bar in vicinity of plate 10 was sprung by the driving of the rivets in the course of our work and in consequence had to be welded to stop the leak so caused.

I have before me now a document which I sign for the purposes of identification, and which purports to be the specification for the repairs to the Canadian Farmer while on this stay at Prince Rupert. I see there in the "Detail of Work" the instruction, "Keel bar in same location (Plate No. 10) to be faired in place." I did not see anything the matter with the keel bar and so far as I know nothing was done on it. As to plate 11 I note the direction in these specifications, "sufficient rivetting cut adrift to enable plate to be faired in place." The rivets we removed had no bearing on fairing in place and no fairing in place was done.

Hon. Mr. TAYLOR.

Here is a man who represents himself to me as one of a gang of three who were the only iron workers there, and he gives me in this detail a statement that no repairs of the kind indicated in the certificate and the specifications were done there. When I asked Mr. Temple, "How have you met that sworn statement?" he said: "I have called the office manager of the yard,"—the man who got the $8,500. Do I need to read the evidence of the man who got the $8,500 to know what he said? It seems to me preposterous.

I gave Mr. Temple the names and addresses of the other two workmen who worked with this man there. I have been told that he called the foreman some time after I made this representation to him. I do not know. But of the three men who actually worked with their hands there, I have the sworn declaration of one and a letter from the other. The third I have not heard from.

Hon. Mr. CASGRAIN: Was the ship in drydock?

Hon. Mr. TAYLOR: Yes, the ship was there eight days, and they have a certificate, or three certificates of the same set, that that ship left the dock correct and seaworthy in every respect, and good for a year, the fact being that they had a regular row the day she left, because this defective plate was leaking—leaking so badly that both the captain and the engineer demurred about going away with her in that condition, and they were presented with twelve bags of cement by the dock management, to put on at the first convenient opportunity, to try to stop that leak. Yet they had the three certificates that when she left there she was correct in every particular. As I asked Mr. Temple how he met these various statements and he declined to tell me how he met them, or to allow me to see the evidence; and as he has been in town for five days, but has not communicated with me, though he went out to Vancouver at my instance; is it any wonder that I decline to place any reliance on a report made under the circumstances that I have described?

Sir Henry Thornton had advices from Vancouver by wire on the 7th of May last that this investigation was simply a farce. He has had mail advices going into detail, in confirmation of that. So I am informed. These advices are from a man whom he himself chose as an investigator for his Company.

Hon. Mr. BENNETT: What is his name?

Hon. Mr. TAYLOR: It is true that they have since had a falling out. This man says he is still an investigator for the Company; Sir Henry Thornton says he is not.

Hon. Mr. MURPHY: He fired him.

Hon. Mr. DANDURAND: Is that the maker of that file—Mr. Watson?

Hon. Mr. TAYLOR: No, that is not the maker of the file, Mr. Watson. I am glad the honourable gentleman mentions that. I may say, in order to show the activities of Mr. Temple when he was there, that he called upon the gentleman to whom I now refer, mainly with the idea of imputing blame to Watson for that file being at large—

Hon. Mr. DANDURAND: Does not my honourable friend feel that it would be absolutely fair to meet Mr. Temple in a small committee, rather than to engage the attention of eighty members of the Senate on such petty matters?

Hon. Mr. BENNETT: Petty matters!

Hon. Mr. TAYLOR: The honourable gentleman asks me a question and becomes annoyed when I answer it.

Hon. Mr. DANDURAND: My honourable friend refers to a person who was in the employ of the Canadian National Railways, was dismissed, and is, he claims, re-instated. Something of that kind was said about Mr. Watson: he was said to have gone out and come in again. I wonder if it is not the same party.

Hon. Mr. TAYLOR: No. Watson is in again. They dared not keep him out when he came down and made a demonstration in Montreal. They did dismiss him, but they took him back again. This other man was instructed by Sir Henry Thornton on the 6th of December last to hold an investigation. About the same time—for it is in answer to my letter of the 28th of November—Sir Henry Thornton informed me that he had ordered an investigation to be held immediately. This investigator made one report, and on the 26th of December he is supposed to have been dismissed, because of the report he made.

Hon. Mr. CASGRAIN: He made a report then?

Hon. Mr. TAYLOR: He made a report. He claims that he was never properly dismissed, and that he is still in the service.

Hon. Mr. CASGRAIN: Is he getting his pay?

Hon. Mr. TAYLOR: Evidently not.

Hon. Mr. CASGRAIN: Then how could he be in the service?

Hon Mr. TAYLOR: He says he was instructed by Sir Henry Thornton to report to him, and he is still reporting to him, and he says he has scores of sworn statements establishing the rescality going in connection with that Company. Mr. Temple called on him in order to get them, but he declined to give them to Mr. Temple because of the nature of the investigation that Mr. Temple was holding, and because of his relationship to the parties concerned, which this man seemed to think would prevent him from giving a satisfactory or straightforward report. He thought Mr. Temple would be too embarrassed by his associations to make a report upon which reliance could be placed.

Hon. Mr. CASGRAIN: I do not want to interrupt the honourable gentleman. I have tried to follow him, but am not quite clear. Were there two ships, or was there only one ship?

Hon. Mr. MURPHY: Only one ship.

Hon. Mr. CASGRAIN: I understood the honourable gentleman to say that one ship had no damage at all, but they put it into dock and made a claim on the insurance company.

Hon. Mr. TAYLOR: Yes.

Hon. Mr. CASGRAIN: And that same ship was afterwards leaking and showed damage?

Hon. Mr. TAYLOR: They damaged her in the dock. She was all right when she went into the dock. There was no occasion for docking her.

Hon. Mr. CASGRAIN: And they made her worse in the dock?

Hon. Mr. TAYLOR: They took off a plate which they were unable to replace. They made her leak and sent her away leaking.

Hon. Mr. CASGRAIN: That is something new—to put a ship in when she is all right, and to have her all wrong when she is taken out. I thought there were two ships.

Hon. Mr. TAYLOR: No, no; one ship. I am afraid that Mr. Temple has called only the Company's evidence; that he has not called the evidence to make the case I state. However, as to the suggestion that I should have the report of Mr. Temple before further discussing this matter, I think that is a very proper suggestion. Have I the assurance of the honourable leader that that report will be in my hands in time for me to digest it before Tuesday next?

Hon. Mr. DANDURAND: If there are duplicates of that report my honourable

friend may rest assured that he will get one. If there is only the original I will give instructions to have a copy typewritten hastily, in order that I may lay it on the Table of the House for the information of my honourable friend.

Hon. Mr. TAYLOR: I would ask also that the return for which I moved on the 8th of May—a return as to the finding of the Wreck Commissioner, which there has been ample time to prepare between then and now—should be laid on the Table. With this understanding, honourable gentlemen, I would move that the debate stand adjourned until Tuesday next.

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

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

THE SENATE

Friday, June 6, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill Z4, an Act for the relief of Katherine Gossage.—Hon. G. V. White.

Bill A5, an Act for the relief of Alice Moore.—Hon. W. B. Ross.

Bill B5, an Act for the relief of Alexander Cruickshank.—Hon. W. B. Ross.

Bill C5, an Act for the relief of Francis Albert Armstrong.—Hon. W. B. Ross.

Bill D5, an Act for the relief of Edythe Kathleen Victoria Canniff.—Hon. W. B. Ross.

Bill E5, an Act for the relief of Helen Tuer.—Hon. Mr. McCoig.

Bill F5, an Act for the relief of Gordon Allingham.—Hon. Mr. Pardee.

Bill G5, an Act for the relief of Hilda Maud Ward.—Hon. Mr. Bennett.

Bill H5, an Act for the relief of Rosie Race.—Hon. Mr. Robertson.

THIRD READINGS

Bill W4, an Act for the relief of Philip R. Marshall Palmer.—Hon. Mr. Haydon.

Bill X4, an Act for the relief of George Felix Simpson.—Hon. Mr. Bennett.

WELCOME TO IMPERIAL SQUADRON

INQUIRY

Hon. Mr. BARNARD inquired of the Government:

1. What arrangements have been made by the Government or are in contemplation for extending an official welcome to the Imperial Squadron, shortly due to arrive at Victoria and Vancouver.

2. Does the Government intend sending to British Columbia a representative for the purpose of extending such welcome.

Hon. Mr. DANDURAND: I have an answer from the Department of National Defence:

1. A dinner will be given by the Government at Victoria to a number of the officers of the Special Service Squadron. Upon arrival at Vancouver a train trip will be given to a number of the men from Vancouver to Edmonton and return.

2. Yes.

CANADIAN MERCHANT MARINE INQUIRY

MOTION FOR RETURN

Hon. Mr. BELCOURT (for Hon. Mr. Béique) moved:

That an Order of the Senate do issue for a copy of the inquiry made by Mr. Temple, K.C., on employees of the Canadian Merchant Marine and of his report on same, now in the hands of the Hon. Minister of Railways and Canals.

The motion was agreed to.

LOAN COMPANIES BILL

MOTION FOR SECOND READING

Hon. Mr. McMEANS moved the second reading of Bill Y4, an Act to amend the Loan Companies Act, 1914.

He said: Honourable gentlemen, this Bill is simply to provide for a Court of Appeal in connection with loan companies. As the law stands at present the Inspector of Insurance Companies is also the Inspector of Loan Companies. Upon certain matters being brought to his attention, he may close up a loan company on five minutes notice, and it is thought only proper that there should be a distinction between insurance companies and loan companies in this respect. At present an appeal to the Exchequer Court is allowed, but I understand it has been found to be very impracticable. This means that all the authority is practically vested in one man. In introducing this Bill I do not wish to cast the slightest reflection on the Inspector of Insurance, Mr. Finlayson, who is a very capable officer, and who, I am sure, carries out the duties of his office to the satisfaction of the whole community. I should like the Bill to go to the Committee on Banking and Commerce, where representations may be made by persons interested in the matter.

Hon. Mr. CASGRAIN: Is the honourable gentleman aware that insurance companies are the biggest companies in Canada?

Hon. Mr. McMEANS: Oh, yes.

Hon. Mr. CASGRAIN: Then one man should be the inspector for both.

Hon. Mr. McMEANS: It does not follow at all that the Inspector of Insurance Companies cannot be also the Inspector of Loan Companies. This is a question of providing an appeal. The Bill provides that the appeal shall be to the Treasury Board instead of to the Exchequer Court.

Hon. Mr. BELCOURT: Is there an appeal to-day from the Inspector of Insurance, under the Act?

Hon. Mr. McMEANS: The Inspector of Insurance is also the Inspector of Loan Companies.

Hon. Mr. BELCOURT: Does the Bill provide for both cases?

Hon. Mr. McMEANS: Yes.

Hon. Mr. BELCOURT: On what ground does the Exchequer Court refuse to deal with the matter?

Hon. Mr. McMEANS: I cannot tell you that. I do not know. The Court sits only once in a while, and says it has nothing to do with this matter,—that it is only a court of law.

Hon. Mr. BELCOURT: It sits here practically all the time.

Hon. W. B. ROSS: I think this would be getting out of the frying pan into the fire. It may be difficult enough to get before the Exchequer Court, but it will be more difficult to get before the Treasury Board. And why refer the Bill to one of our Committees? Are you going to call witnesses?

Hon. Mr. McMEANS: There are some gentlemen who desire to be heard. The Committee on Banking and Commerce is composed of gentlemen of experience in this line, who may listen to the representations to be made.

Hon. Mr. DANDURAND: Will my honourable friend allow me to move the adjournment of the debate until Wednesday, so that I may get some information? I feel somewhat diffident about an appeal from the Superintendent to the Treasury Board. Some objections loom up in my mind, and I would rather have a little time to examine into the situation, because it has to do with the principle of the Bill. Before allowing the Bill to go to second reading, I should like to have the opinion of the Department.

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

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, June 10, 1924.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS

ADVERTISING AND PRINTING—INQUIRY

Hon. Mr. TANNER rose in accordance with the following notice:

That he will call the attention of the Senate to the following matter and will enquire from the Government:—

1. In what newspapers in Canada did the Canadian National Railways advertise during the years 1922 and 1923?
2. What was the cost of such advertising in each newspaper, in each of said years?
3. What persons, firms and corporations in Canada supplied printing, lithographing, etc. (commonly known as job printing), for the said Railways in the said years?
4. What was the amount of the contracts or orders to each of such persons, firms and corporations in each of said years?

He said: Honourable gentlemen, probably this is not a matter that calls for discussion at the present moment, but may I give just a word of explanation in regard to this inquiry, which I mentioned some days ago to the honourable the leader of the House. When I prepared these questions there was a very fierce assault being made upon this Chamber by certain newspapers of the country. It occurred to me and to some other honourable members of this House that it might be desirable to ascertain what kind of food these attacking newspapers were being fed upon, there being an impression abroad that the huge appetite for job printing possessed by some of them was being satisfied by the Canadian National Railways, and that, perhaps being overfed with job printing and other matters commonly known as patronage, and their intellectual balance being somewhat upset, they may have felt it necessary to wage a fierce and unexplainable warfare against this Chamber. However, my honourable friend the leader of the House took it upon himself to read, to some of these gentlemen at any rate, a very salutary lesson, and the

leader on this side of the House joined him in pointing out to the attacking forces of the press that, instead of levelling their lances at the Senate on the subject of the Branch lines of railway and other important public issues they should be supporting the Senate in carrying on a thorough and exhaustive investigation of these matters. The lesson which my honourable friend the leader of the House, and the honourable leader on this side also, gave those gentlemen has gone home. There has been since a very noticeable calm. They have learned that this Chamber will perform its duty as the great bulwark of the country, no matter what irresponsible newspapers may say in regard to it.

I was moved to make the inquiries for the reasons I have just stated. Inasmuch as the forces have retreated, I do not know that it is very essential now to press for an answer. I am quite content to leave that to the discretion of my honourable friend the leader of the House.

Hon. Mr. CASGRAIN: Does the honouralbe gentleman want the questions dropped?

Hon. Mr. TANNER: If my honourable friend thinks it desirable to answer the questions I am quite content. If not, they can stand.

Hon. Mr. DANDURAND: When a question is put on the Order Paper the Department interested takes notice, and it is very likely that within a few days I shall get the answer.

The inquiry stands.

DUTIES ON IMPORTS FROM ENGLAND

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What is the total amount of duties collected in the calendar year 1923 on goods imported from England?
2. What would the amount have been without preference?

Hon. Mr. DANDURAND:

Customs Duties Collected on Imports from the United Kingdom under various tariffs and duties payable on the same imports if no preferential rates had been applied—Fiscal year ended March 31, 1924.*

	Duties collected	Duties estimated at general tariff rates
General tariff..	$ 9,572,777 68	$ 9,572,777 68
Preferential tariff ..	18,119,479 38	28,465,946 58
Treaty rates..	463,780 89	545,271 18
Total..	$28,156,037 95	$38,583,995 44

*Collections of duty on imports from each country separately are compiled by fiscal years only.

Hon. Mr. TANNER.

CANADIAN MERCHANT MARINE AND NATIONAL RAILWAYS

REPORTS OF INQUIRIES

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to lay on the Table a return to an Order of the Senate issued on May 8, 1924, for—

A return giving copy of all correspondence with the Department of Marine respecting an inquiry under the Shipping Act into an alleged casualty to the Canadian Government Merchant Marine Steamer Canadian Farmer, together with the evidence taken at said inquiry and the findings

I desire to lay on the Table two copies of a report by Mr. R. H. M. Temple on Captain Boyd's complaint; also two copies of a report by Mr. R. H. M. Temple on "Purchasing Department, Vancouver." I had asked for the evidence, but the Department of Railways has only one one copy, which comprises more than 2,000 pages, together with a number of folios of exhibits, and unless the Department receives direct positive orders from this Chamber for the printing of the evidence, which would take some time, it cannot part with its copy. The Department states that if any honourable member desires to examine the evidence, the record will be at his disposal in the Railways' Department, where a room will be available. Some other method may be suggested. In the meantime I lay on the Table the two reports of Mr. Temple, which must contain abundant references to the evidence. I have not read the report nor have I seen the evidence. If the honourable gentleman from New Westminster desires to refer to it, the whole record will be at his disposal in the Railway Department all day long. Perhaps he will consider this suggestion before asking that the country go to the expense of having the evidence printed or typewritten.

Hon. Mr. TAYLOR: If the honourable gentleman will permit me—Mr. Temple made more than one copy of the evidence; no question about that. He is only trifling with this Government in saying there is only one copy.

Hon. Mr. DANDURAND: I am not sure that Mr. Temple told me himself that he had only one copy. My inquiry was made at the Railway Department. Perhaps Mr. Temple has another copy, which he may have kept for himself, or he may have submitted one to the Legal Department of the Canadian National Railways. That I do not know. If my honourable friend were to question me, I should be absolutely unable to tell him positively that I did speak to Mr. Temple. I may have done so. All I know is that the Railway Department has all that evidence and all the exhibits. The exhibits are generally originals,

and there would hardly be duplicates of them. At all events, if my honourable friend, after looking at Mr. Temple's report, desires to examine the evidence, it will be at his disposal. I have no objection to asking Mr. Temple, and will do so with pleasure, and if I find that a duplicate copy of the evidence is available I shall be glad to hand it over to my honourable friend from New Westminster or lay it on the Table.

THE BRITISH PREFERENCE

MOTION AND DISCUSSION

The Senate resumed from June 4 consideration of the motion of Hon. Mr. David:

Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

Hon. LORNE C. WEBSTER: Honourable gentlemen, as seconder of the resolution for the suspension of British preference, as proposed by my honourable friend from Mille Iles, I regret that I was forced to leave this Chamber by a pressing engagement in Montreal before the honourable member had concluded his speech. I did not expect that this motion would come up until we received the figures and information asked for in a recent motion for a return. But the subject is of such great importance that we may perhaps discuss it further to-night. May I say that I agree with the motion proposed so ably by the honourable Senator from Mille Iles and supported by honourable senators from Nova Scotia. The honourable gentleman from Mille Iles makes a study of all important questions which is an inspiration to the younger men of this House. His independence of character and his outstanding devotion to his country is well known, and worthy of our imitation. In his own language, "Il a gagné ses épaulettes."

I desire not to discuss the question from any party point of view, or criticize any section of our political friends but to speak of the question and the situation as it appeals to me. I wish again to bring before you that ever pressing question, which I am sure is never far from your thoughts and is one of the most important problems that is facing Canada to-day—protection to Canadian industries.

The position of Canada in the northern half of North America, in such close proximity to the United States, makes it imperative that the living conditions should be approximately the same in this country as they are in the United States. So much American literature finds its way into this country that wages must be approximately the same here as they are in the United States, for if they are not, our artisan finds ready employment in that great country; as witness the emigration of Canadians, which last year amounted to about 181,000.

The remark has been made so often that it is considered a truism. "What Canada needs is population and money"—men to work the vast resources of this country, and the money to develop them.

Of what use is it for us to endeavour to bring immigrants to this country who are strangers and do not know our way of living, when our own population, the population that has been born and bred in this country and who love it, are forced to leave Canada for the more attractive fields offered by the United States?

In 1789 the United States adopted a policy of protecting American manufacturers and producers. The first tariff was framed under the influence of Hamilton, who also in his "Report on Manufacturers" laid the basis of later protectionism in the United States. Its adoption by other nations and the benefits that protection and manufacturing industries would bestow on the country, were the reasons urged by him for its adoption. By one Government or another this policy has been maintained to such an extent that the Fordney Act of 1922 has been described by Prof. H. Parker Willis as "the highest general Tariff Law ever enacted in the history of Protection." Thus American resources were developed, American people employed, and the American scale of living kept up. The results are too well-known to talk about. To-day the United States possess 110,000,000 people and have the highest paid class of working people in the world; at the same time the cost of living is not too high compared with the remuneration received.

In Canada we have followed an entirely different course and until 1878 there was no policy of protection put into effect. In 1878 The National Policy was adopted and this country commenced to develop, and, notwithstanding the fact that the United States has such a tremendous advantage over us in manufacturing, the progress of Canadian industry has been entirely satisfactory and we find now that the manufacturing industries of this country produce approximately $3,000,000,000 worth of goods per annum, and employ over 600,000 people. This means that a population of several million people are supported through the manufacturing industries of this country.

The question of railways and freight transportation is also bound up in the National Policy of this country, as most industries bring in two to three tons of raw material

to manufacture one ton of finished product, and this is most profitable freight for the railways to handle.

Taking the value of farm produce, and the exports of farm products as per table below, we find that approximately 75 per cent of the farm produce is consumed in Canada.

Year	Gross Agricultural Revenue	Wheat Crop Bushels	Value	Total Exports
1917. ..	$1,621,028,000	$233,742,850	$453,038,600	
1918. ..	1,873,037,000	189,075,350	381,677,700	
1919. ..	2,096,014,000	193,260,400	457,722,000	$264,910,990
1920. ..	1,961,715,000	263,189,300	427,357,300	403,468,722
1921. ..	1,396,233,000	300,858,100	242,936,000	473,477,371
1922. ..	Not published	399,786,400	339,419,000	293,372,649
1923. ..	"	474,199,000	316,934,700	365,847,777

We find also, over a period of years, imports of farm products making a very considerable sum, as per table below:

1919..	$ 80,325,130
1920..	145,161,668
1921..	116,906,868
1922..	100,834,663
1923..	92,295,497

Without the industrial population to consume these farm products, where will the agriculturist get his market? Certainly not in the United States, because the United States policy is well defined and known. They immediately raise Tariff barriers against practically everything we export to that country. Tariffs can only be fought with tariffs. Most of our farm products could not be exported abroad, because, owing to the low financial state of European countries, they produce as much as they possibly can and only purchase what they are absolutely unable to produce. It is, therefore, of major importance that this industrial population should develop and increase so that our agriculturists can also develop and increase.

It has been estimated by economists that fully 80 per cent of the cost of manufacturing an article is made up of wages. Accepting this as a fact, and comparing the wages paid in Canada and Great Britain, I find in the figures supplied me, that in the skilled and unskilled trade a few years ago the Canadian wages were much higher than those paid in England. The wage scale a couple of years ago was:

Industry—	United Kingdom	Canada
	Per week	
Paper & Pulp—		
Average..	$13 20	$24 17
Shipbuilding—		
Average..	11 70	21 00
Building Trades—		
Plumbers..	16 50	55 00
Plasterers..	16 20	55 00
Bricklayers..	15 90	44 00
Carpenters	15 85	39 00
Labourers..	11 65	20 00
Steel—		
Iron Moulders	13 95	35 00
Labourers..	10 25	18 00
Machinists..	13 60	28 00

There are several industries that have been hit very hard by the repealing of the McKenna duties and by the continuance of the British Preference in Canada—notably the woollen industry. In one leading journal I find the following:

Twenty mills have closed down since Jan. 1st 1923, out of 124 woollen and knitting mills from which we have had reports. There is an average of over 40 per cent of the machinery idle. There is considerable reduction of operating machinery over 1923, which was an extremely unsatisfactory year for the mills. To-day only 10,799 hands are employed in the mills reporting, while if these mills were working full time they would employ 23,055 hands. Out of the mills reporting only 58 could report on the number of their employees who have gone to the United States since Jan. 1st 1923, and these did not give all those who actually left the country, but only those highly skilled workers they actually knew about. The figures for the 58 mills are: Employed when the mills are on full time, 11,244; employed to-day 7,376; known to have left for the U.S., 776. This represents 10 per cent of those now employed in these mills.

While these figures reflect the serious condition in the Canadian Mills during 1923, and the more serious situation at the present time, we find that over $40,000,000 worth of woollen and knitted goods were shipped to Canada from abroad during the calendar year 1923, of which over $30,000,000 worth were shipped from Great Britain. Careful analysis of these imports shows that we have in Canada the machinery and technical ability to manufacture from 80 per cent to 90 per cent of these imports and that if the bulk of the imports had been manufactured here, from 17,000 to 20,000 additional hands would have been employed throughout the year.

It was submitted that the woollen and knitting industry, which is indigenous to Canada and of which 94.4 per cent of the industrial capital employed is owned by Canadians, should be safeguarded by tariff adjustments; otherwise capital employed would be dissipated, and the employees being out of work, would of necessity emigrate to the United States.

The article which I have quoted from deals with the effect of exchange rates. It says:

There is a large "Invisible Bounty" on all exports of goods from Great Britain to Canada owing to the purchasing power parity of the British pound to the Canadian dollar and the rate of exchange. This amounts to practically the difference between the par value and the exchange value of sterling. Duties levied on goods from Great Britain imported into Canada are diminished by this amount. There are no tariff regulations compensating for this "Invisible Bounty." It is a factor in addition to other advantages for producers abroad, such as lower wages, overhead, etc.

Goods partially manufactured in Continental countries by much cheaper labour than can be had in England may be shipped into Canada under the British Preferential rate. As an example, goods made in Great Britain can be sent to France to be dyed and finished. In this connection we would point

out that Australia, New Zealand, the Union of South Africa and the Bahamas have the following clause in their regulations which prohibits such shipments to these countries under their British Preferential Tariffs:

"In the case of goods which have at some stage entered into the commerce of or undergone process of manufacture in a foreign country, only that labour and material which are expended on or added to the goods after their return to the United Kingdom shall be regarded as the produce or manufacture of the United Kingdom in calculating the proportion of United Kingdom labour and material in the factory or works cost of the finished article."

Now, may. I place upon Hansard the following figures regarding importation of woollens, by yards, for the months of January, during the last four years:

	1921	1922	1923	1924
Worsted & Serges				
From Gr. Britain..	237,423	615,223	715,779	880,546
From France..	4,492	16,350	21,131	93,672
Tweeds				
From Gr. Britain..	84,536	173,595	403,025	441,807
Blankets				
From Gr. Britain..	1,595 (pairs)	2,812	7,713	14,889
Women's & Children's goods unfinished				
From Gr. Britain..	396,870	407,491	433,018	465,405
From France..	15,590	18,854	64,068	232,563
Cassimers, Cloths, etc.				
From Gr. Britain..	$135,132	$153,257	$228,693	$191,961
From France..	11,993	29,273	63,731	77,592

At the annual meeting of the shareholders of the Dominion Linens, Limited, held at Guelph, March 12th, 1924, the President stated that any person who undertook to establish an industry in Canada at the present time, or investors who bought the securities of industrial corporations in Canada, took very grave risks under present conditions, as their investments might be wiped out through reductions in the Tariff. This has already been the case to the extent of many millions of dollars.

Boots and shoes are largely manufactured in the Provinces of Quebec and Ontario. The firms to-day are running at only 60 to 70 per cent capacity. More than 70 firms since the war have become casualties. Twenty-five out of 175 either failed or discontinued business in 1923 alone. The capital invested in the shoe industry amounts to $32,000,000 and is practically all Canadian. This industry has been giving direct employment to 15,000 persons and producing goods to the value of $40,000,000 annually. Surely it should be properly and carefully protected. Canadian-made footwear is shut out of Europe by the low wages paid there and by the exchange. It is practically excluded from the United States by reason of the tremendous output and overproduction of American factories. The tariff on boots and shoes is as follows:

	British Preferential Tariff	Intermediate Tariff	General Tariff
611—Boots and shoes, pegged or wire fastened with unstitched soles close edged..	15%	22½%	25%
611a—Boots shoes slippers and insoles of any material, n.o.p..	17½%	27½%	30%
Schedule to Belgium and Netherlands..	....	27½%	

Practically all the boots and shoes imported into Canada from the United Kingdom are of the description to which tariff item 611a applies. The general tariff is 30 per cent; the intermediate tariff 27½ per cent and the British Preferential tariff 17½ per cent, but from this there is the discount of 10 per cent in practically all cases, as the British goods come directly to Canadian ports. The net rate of 15¾ is a very low rate of duty for manufactured goods. This rate it should be noted, is applied only on the valuation at the factory in the United Kingdom, before any addition is made for the freight or insurance and low exchange. Every honourable gentleman present is familiar with the fact that even the hides from which boots and shoes are manufactured in England are imported from foreign countries; therefore the articles so imported and afterwards manufactured into boots and shoes, come into Canada under the low tariff. Canadian costs of production are increased by a 5 per cent Sales Tax, which places the Canadian producer under a handicap in competition with imported goods. Canadian manufacturers are required to pay 5 per cent Sales Tax on all purchases of equipment, lasts and patterns, and general supplies, even though these are treated as specific items in the cost of their shoes. In consequence of the rapid change of styles which is quite beyond the control of the manufacturer, the entire cost of lasts and patterns has to be treated as a current expense. An actual comparison of piece-work prices shows that the rates paid in Canada are from 66 per cent to 100 per cent higher than those paid in Great Britain for similar operations.

The freight situation also enters largely into the boot and shoe industry, more especially on the Pacific Coast. The average freight from Liverpool, via the Panama Canal to Vancouver, is 5 cents per pair. The Canadian manufacturer has to pay an all-rail rate which is equivalent to 16.23 cents per pair.

Thus, if we look into the real facts of the British Preferential Tariff duty applicable to boots and shoes from the United Kingdom, when imported directly to a Canadian port, we find that the duty is only 15¾ per cent; but of this the British manufacturer realizes a premium of approximately 10 per cent when converting Canadian exchange into British currency. Finally the British manufacturer sells to Canada at a special reduction of 5 per cent, permitted under the Dumping Clause, making his sales in the United Kingdom carry his overhead. Thus the margin of tariff duty over exchange premium and Dumping Clause exemption allowance is only ¾ of 1 per cent.

The cost of production in Canada is greater by reason of higher wages, by at least 66 per cent, which means a difference in relation to total costs of production of at least 12½ per cent. The General Tariff duty, ranging up to 30 per cent on "findings" not manufactured in Canada, is equivalent to a handicap of at least 1½ per cent on the total cost of production. This makes a total of 14 per cent net handicap under which Canadian manufacturers are trying to "carry on" at the present time in the face of increasingly severe competition from the United Kingdom.

Practically the same conditions as apply to these two industries apply to all other manufacturing and industrial concerns in Canada. So it is clearly to be seen that with very low British wages, cheap freight rates between Great Britain and Canada and depreciated currency, the British Preference to-day is working serious harm to the industrial development of this country.

After all, the key-note of Protection is Nationality. A young country like Canada which has had a National Policy for only some 46 years, and that not at all times consistent, is to-day likely to be shoved to the wall should it withdraw its tariff barriers. No country was ever built up except through the policy of protecting home industry. Even Great Britain had protection for over 200 years before adopting free trade. Oliver Cromwell framed the first protective customs tariff for England, and also in 1651 passed the famous Navigation Act. The protective system continued in England till the repeal of the Corn Laws in 1846. England only adopted free trade because she was industrially far ahead of every other nation in the world, and because it was to her interest to do so. Being an island with a rapidly increasing population, and limited room for expansion, she acquired great oversea possessions. These colonies produced large quantities of raw materials or semi-finished materials. England was the workshop with the formula of cheap food and low wages. Goods were manufactured cheaply largely because wages were low and living was cheap. Ships were built cheaply for the same reason and the sailors who operated these ships, to carry raw material to England and the finished products from England, were paid low wages. Thus Great Britain relatively maintained under free trade a considerable part of the industrial supremacy established during the two hundred years of protection, and the money made by the shipping interests of Great Britain represented a large measure of protection. Ships left England laden with useful commodities—the product of British labour—and sailed the seven seas, and returned to her shores loaded with raw material to be transformed into similar commodities to those which she was shipping to all parts of the world.

About the time of Oliver Cromwell the protective system was introduced in France by the statesman Colbert, and remained in force until the French Revolution, when it was modified, although France did not adopt a fiscal system approaching free trade until 1860.

After the introduction of free trade into France in 1860, it was quickly discovered that under this system France could not stand the competition of England and the United States and in 1872, after the Franco-Prussian war, France returned to the protective system. Other European nations had followed the free trade experiment of France in 1860, and they also imitated her later action in reverting to the protectionist policy. In 1879, under the direction of Bismark, Germany inaugurated a distinctly protective system, and most of the other European nations soon followed the example of Germany and France.

Thus we are forced to ask ourselves the question, "Is Canada different from all these countries in respect to need of protection for her industries?" I do not think that she is.

British Preference was adopted by the Canadian Government in 1897, not as an annual "gift" to England, but with the belief that Great Britain with her well-known generosity would give Canada equal or greater favours. As Great Britain is not doing this, does it not behoove us to consider at this time the suspension of our British Preference? It was my great privilege to know the Right Honourable Sir Wilfrid Laurier in Quebec, and I can assure this honourable House that there was no more disappointed person in Canada than himself when he saw years and years roll on, and nothing granted by Great Britain in return.

Recently great events have taken place in England. The British Parliament has repealed the McKenna duties from the 1st of August, while the British nation at the polls

has overwhelmingly rejected the tariff policies of the British Government which took part in the Imperial Conference last autumn.

Some people imagine that sentiment enters into the question. It is a question of practical business. As Canadians we must choose that policy which will give Canada the larger returns. At present the Empire is not ready for a world-wide system of mutual preferences and it would be a bad thing for Canada for her to try to uphold it in the face of adverse feeling in England.

And so the appeal of the country to-day is simply for fair treatment. We are suing not merely for one class, but for the country as a whole. A country such as Canada cannot be powerful or happy with its industries languishing and its best mechanics leaving the country for the United States. Its farmers would be the greatest beneficiaries, because Canada, exporting its agricultural products, would benefit by a preferential treatment if granted by Great Britain.

I hope, honourable gentlemen, that my voice may reach beyond these four walls, throughout this country and even across the ocean to the homeland, that land we all admire and love, and that the remarks which I have made this evening may be taken not unkindly or as a threat, but as a warning if a one-sided preference is allowed to continue.

Hon. Mr. ROBERTSON: Honourable gentlemen, I am informed that the right honourable the junior member from Ottawa (Right Hon. Sir George E. Foster) desires to make some observations on this subject. I therefore on his behalf move the adjournment of the debate if no other honourable member wishes to speak to-night.

The debate was adjourned.

BANKRUPTCY BILL

FIRST READING

Bill I5, an Act to amend the Bankruptcy Act.—Hon. Mr. Haydon.

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

THE SENATE

Wednesday, June 11, 1924.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill J5, an Act for the relief of Alfred Edward Briggs.—Hon. Mr. Haydon.

CANADIAN NATIONAL RAILWAYS

DEPRECIATION ACCOUNT—INQUIRY

Hon. Sir EDWARD KEMP inquired of the Government:

What amount of money has been written off, also percentages of values, for depreciation on the premises, plant, rolling stock and other assets of the National Railways, including Canadian Northern and Grand Trunk systems and all subsidiaries, since they have been under government control (also including the Intercolonial Railway for the same period) in each fiscal year up to March 31st, 1924?

Hon. Mr. DANDURAND:

Canadian National Railways—Statement of Accrued Depreciation at December 31st, 1923.

Name of Company	Road	Equipment	Misc. Physical Property
International Bridge Company	1,527,802 72	.....	.....
Grand Trunk Western Railway	.....	2,290,897 78	.....
Detroit, Grand Haven & Milwaukee Railway	.....	63,273 24	.....
Montreal, Warehousing Company	70,365 61	.....	.....
Oshawa Railway Company	69,821 17	30,338 54	.....
St. Clair Tunnel Company	10,381 92	32,507 52	.....
Rail & River Coal Company	.....	.....	554,574 69
Terminal Warehousing Company	133,542 79	.....	.....
Thousand Islands Railway	35,496 90	1,552 00	.....
Toledo, Saginaw & Muskegon Railway	.....	3,269 79	.....
Pontiac, Oxford & Northern R.R.	.....	5,540 45	.....
G.T. Milwaukee Car Ferry Company	.....	78,339 33	.....
G.T.P. Coast Steamship Company	173,189 34	96,312 24	.....
G.T.P. Alaska Steamship Company	.....	17,950 43	.....
G.T.P. Terminal Elevator Company	119,007 73	.....	.....
Canadian National Telegraphs	300,486 71	.....	.....
Canadian National Transfer Co.	.....	45,065 67	.....
Duluth, Winnipeg & Pacific Ry.	.....	620,276 33	.....
Canadian National Express Co.	.....	210,705 69	.....
Cincinnati, Saginaw & Mackinaw Ry.	.....	787 78	.....
Can. Nat. Ry. Co (leased Equip)	.....	20,433 68	.....
Chicago, N. York & Boston Refg. Line	.....	228,216 62	.....
	$ 2,440,094 89	$ 3,745,467 09	$ 554,574 69

In addition to the depreciation accrued as shown above, the Canadian National Railways during the year 1923 wrote out of their Capital Account the sum of $2,848,789.55 representing original cost of equipment and other property retired from service during the year; this amount divided over the various Railways as follows:

Grand Trunk Railway Company of Canada	$871,227.31
Grand Trunk Pacific Railway	315,741.99
Canadian Northern Railway	957,870.58
Canadian Government Railways.	695,357.57
Duluth, Winnipeg & Pacific Railway	8,592.10
	$2,848,789.55

Instead of accruing depreciation, the Canadian National Railway Lines in Canada have adopted the practice of writing out all equipment and other property retired as and when retired.

JOINT COMMITTEE ON LEGISLATION

INQUIRY

On the Orders of the Day:

Hon. Mr. DAVID: With the permission of the House I would ask for some information from the honourable the Speaker of the Senate with regard to a resolution which was adopted by the Senate last Session. A Committee made some very good suggestions, and the best of them was this:

Your Committee further recommend that the distribution of all Private Bills, exclusive of Divorce Bills, be regulated by the Speakers of both Houses jointly with the understanding that they will see as far as practicable that Private Bills, exclusive of Divorce Bills, be introduced one-half in each House.

I would like to ask the honourable the Speaker of the Senate what has been done to give effect to that resolution.

The Hon. the SPEAKER: Honourable gentlemen, at the commencement of the Session Honourable Mr. Lemieux, Speaker of the House of Commons, and myself, had an interview with the Law Clerk of the House of Commons, who stated that at that time there were, I think, about six Private Bills which had come before him; that he had suggested to some members of the House of Commons in whose names Bills had been placed that they should ask honourable members of this Chamber to take charge of three of those Bills, but the members of the House of Commons objected strongly to doing so, saying they preferred to introduce them into the Commons. There did not seem to be any way in which the matter could be dealt with, and since that time no further steps have been taken.

Hon. Mr. DANDURAND.

Hon. Mr. DAVID: That is not very consoling.

Hon. Mr. DANDURAND: We shall probably have to appoint another joint committee in order to see if we cannot succeed in discovering a plan whereby the introduction of private legislation, at all events, may be divided between the two Houses. I once suggested a very simple plan: it was that all private petitions and Private Bills should be sent to one official, who would receive them for the two branches of Parliament, would number the bills, and give the odd numbers to one Chamber and the even numbers to the other. In that way we could get our 50 per cent proportion.

DIVORCE BILLS

SECOND READINGS

Bill Z4, an Act for the relief of Katherine Gossage.—Hon. G. V. White.

Bill A5, an Act for the relief of Alice Moore.—Hon W. B. Ross.

Bill B5, an Act for the relief of Alexander Cruikshank.—Hon. W. B. Ross.

Bill C5, an Act for the relief of Francis Albert Armstrong.—Hon W. B. Ross.

Bill D5, an Act for the relief of Edythe Kathleen Victoria Canniff.—Hon. W. B. Ross.

Bill E5, an Act for the relief of Helen Tuer.—Hon. Mr. McCoig.

Bill F5, an Act for the relief of Gordon Allingham.—Hon. Mr. Pardee.

Bill G5, an Act for the relief of Hilda Maud Ward.—Hon. Mr. Bennett.

Bill H5, an Act for the relief of Rosie Race.—Hon. Mr. Robertson.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from June 5 the adjourned debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

Hon. Mr. DANDURAND: I have requested the honourable gentleman from New Westminster (Hon. Mr. Taylor) to further adjourn this debate in order that we may hear delegations on the Branch Line Bills now before the Railway Committee. Inasmuch as this is one of the most important pieces of legislation which we have to deal with, and would ordinarily come before the Committee of the Whole House, I think we should try to expedite matters by disposing of it while the Commons are leaving us some freedom of movement. We have very little on the Order Paper, but must prepare for the avalanche which comes in the last weeks of the Session. I think the honourable gentleman from New Westminster agrees to the suspension of this discussion for a day or even more. My idea was that we might return here on Monday or Monday evening, and I would suggest that he should postpone this discussion until Monday evening so that those who are interested may have an opportunity to read the reports now before the House. However, I am in the honourable gentleman's hands as to that.

Hon. Mr. TAYLOR: Honourable gentlemen, I will readily accede to the request of the honourable gentleman if the Senate will first be good enough to permit me a few words of personal explanation, which will not take many minutes.

In the report laid on the Table last night, being the findings of Mr. Temple on what he calls "The Captain Boyd Complaint," there are some personal references to me on pages 4, 5 and 6, which I am content to let go with the description that they are entirely inaccurate. That is all I have to say so far as the personal references are concerned. But two of them involve other people. I read on page 5:

> The Senator states that he had frequently written all of Captain Boyd's letters for him, for the reason that Boyd was foolish. I tried to get a fuller explanation of what this meant, and he told me that Boyd could not look after himself, that he was simple-minded everywhere else but on his ship.

As to that, honourable gentlemen, I wish to say that it is an absolutely cruel distortion of the conversation I had with Mr. Temple. I have nothing but respect for Captain Boyd, whom I have represented everywhere as a most estimable citizen. I did say to Mr. Temple—in reply to the cruel reflection of his President on Captain Boyd that he was a man of no character and no ability, and another unkindly reference by another high officer, to which I have referred—that there could be no foundation at all for those aspersions; but that I would admit that Captain Boyd, like many another sailor man, was not so expert at handling himself ashore as I thought he would be in handling his ship at sea. I said to Mr. Temple that for that reason I had endeavoured to protect Captain Boyd as well as I could, in writing certain letters for him. I wish to say that I have no idea that Captain Boyd is either simple-minded or foolish in the sinister acceptance of those terms.

There is another reference on page 6, where Mr. Temple says respecting Senator Taylor:

> He also told Mr. Knight that he had had an interview with Mr. Butler, who was third officer on the Farmer, and that Butler had told him quite a lot. "He did not open right out," but he is sure if he were worked he would come through with the whole thing.

I may say that is entirely inaccurate. I do not know Mr. Butler; I have never seen him; I have had no communication from him, direct or indirect; I know he was an officer on the ship. Mr. Knight, who is reputed to have said this, I know is a reputable officer of the Investigation Department. I think Mr. Knight confounds Butler with another officer of whom I told him something of this kind. I mention this because I do not wish to hear the reply, on behalf of Butler, that he never told any such thing. He never did.

With these explanations, I move that the debate be further adjourned until to-morrow. To-morrow, if necessary, we can further adjourn it; but I do not think it should drag on too long.

Hon. Mr. DANDURAND: I am suggesting Monday because there are 150 pages of evidence here which I will have to read.

Hon. Mr. TAYLOR: Think of all I have to say. I will forget some of it if you put it off too long.

The debate was adjourned.

DIVORCE BILL

FIRST READING

Bill H5, an Act for the Relief of Louisa Elizabeth Smith.—Hon. W. B. Ross.

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

THE SENATE

Thursday, June 12, 1924.

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

Prayers and routine proceedings.

PILOTAGE EXPENDITURES

INQUIRY

Hon. Mr. DANIEL inquired of the Government:

1. What payments by the Government were made in connection with pilotage matters during the fiscal year ending March 31st, 1924, in the ports of Montreal, Quebec, Halifax, and St. John, respectively, outside of those made from the earnings of the pilots, giving the details of such expenditure for each port.

2. What is the reason that superannuation allowances are allowed and paid by the Government to retired pilots in the port of Quebec only, and not in the other ports of the Dominion.

3. Is it the intention of the Government to grant to retired pilots in the other ports of the Dominion over which the Government exercises authority, the same assistance it gives to retired Quebec pilots? If not, why not?

Hon. Mr. DANDURAND:

1.

Montreal and Quebec

St. Jalobert.

Details of Expenditures—		
Wages and board of crew..	$15,909 05	
Fuel..	8,017 61	
Deck and engine supplies..	5,310 78	
Repairs, oil installation, and dry dock charges..	17,185 53	
Water for boilers and all purposes, and ice..	480 00	
		$46,583 97
Launch		828 64
SS. Eureka—laying up and advertising for sale .. .. .. (Sold for $12,500)		503 66

Note:—These vessels attend to Pilotage, Quarantine, Post Office, and Customs Services.

Montreal

Details of Expenditures—		
Examination of pilots, travelling expenses, etc.. .. .	241 90	
Salaries of staff..	9,011 00	
Electric light and telephones..	230 58	
Printing, stationery, etc.. ..	403 38	
		9,886 86

Quebec

Details of Expenditures—		
Examination of pilots, travelling expenses, etc.. .. .	1,061 47	
Salaries of staff at Quebec and Father Point..	6,908 67	
Rent, electric light and telephones..	3,148 88	
Printing, stationery, etc.. ..	2,115,43	
Board of Pilots at Father Point..	2,120 48	
		15,354 91
Allowances to Retired Pilots in the Quebec District..		26,535 43

Halifax

Details of Expenditures—		
Salaries of staff..	5,423 32	
Printing, stationery, electric lght and telephones.. ..	221 94	
		5,645 26

St. John

Details of Expenditures—		
Salaries of staff..	1,470 00	
Printing,. stationery, electric light and telephones.. ..	114 06	
		1,584 06

2. On account of an arrangement entered into in 1906 between the pilots of the Quebec Pilotage District in good standing and the Department of Marine and Fisheries, for the following reasons: (a) reducing the number of pilots; (b) adding to the length of the district by 20 miles. The amount granted for this purpose must have the approval of Parliament and voted annually and applies only to those who were in the service at that time.

3. The conditions that resulted in the arrangement in the Quebec District do not obtain at any of the other Pilotage Districts.

DIVORCE BILL

FIRST READING

Bill L5, an Act for the Relief of Annie Thirde.—Hon. Mr. Bennett.

CUSTOMS TARIFF BILL

FIRST READING

Bill 127, an Act to amend the Customs Tariff Act, 1907.—Hon. Mr. Dandurand.

PRIVATE BILLS

FIRST READING

Bill 18, an Act respecting a Certain Patent of the Fleischmann Company.—Hon. Mr. Bradbury.

THIRD READING

Hon. Mr. Barnard moved the third reading of Bill S4, an Act respecting Certain Patents owned by the Canadian Summer Iron Works, Limited.

Hon. Mr. REID: I would like to have an explanation of what this patent really is, from whoever is in charge of the Bill.

Hon. Mr. BARNARD: This, honourable gentlemen, is a Bill to validate certain patents relating to saw-mill machinery, which had expired, and which belonged to a company which was manufacturing in a very large way in the city of Vancouver. The matter was gone into very carefully, and the facts were proven by an affidavit before the Private Bills Committee, who unanimously recommended the passage of the Bill.

Hon. Mr. BELCOURT: I have frequently raised a question in regard to similar Bills, and I do not feel like allowing my honourable friend to escape. Whenever a Bill of that kind is read the second time it is supported by some affidavit.

Hon. Mr. ROBERTSON: This is the third reading.

Hon. Mr. BARNARD: An affidavit was produced—a very lengthy one.

Hon. Mr. BEIQUE: The Bill is merely to give power to the Commissioner of Patents to determine whether the patent should be continued or not. It does not make the patent valid, but merely enables the Commissioner to exercise jurisdiction. The time for making application had expired. The applicants were two or three months late. If they had applied to the Commissioner of Patents a few months sooner, he would have had jurisdiction. As they failed to apply within the prescribed time, he has no jurisdiction, and the purpose of this Bill is merely to give him the necessary authority. A number of Bills of the same nature have been passed in this House.

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

DIVORCE BILLS

THIRD READINGS

Hon. G. V. WHITE moved the third reading of Bill Z4, an Act for the relief of Katherine Gossage.

Hon. SIR JAMES LOUGHEED: Honourable gentlemen, I purpose moving an amendment to this Bill, and a similar amendment will be applicable to all the Divorce Bills that come before us during the remainder of the Session. The Committee on Divorce, for the commendable purpose of shortening up the Bills and curing what they deemed to be an anomaly, considered it desirable to omit a clause which had appeared for many years, granting the petitioner the right to marry again, but remaining silent as to the respondent. Though granted no right to re-marry, the respondent married again without any hesitation. Upon the Bills which were sanctioned by this House going down to the Commons, the Private Bills Committee of that House took exception to the omission of this particular clause. Being very faithful to tradition and precedent, they considered it undesirable to omit a provision which had appeared in Divorce Bills from Confederation down to the present time. The two Committees held a conference, and, the Senate Committee being for peace, we said we were not wedded to this amendment, and accordingly consented to the restoration of the old clause to which the Commons Committee attached so much value.

It seems that the Bills now coming before the Senate will have to be amended in accordance with the arrangement which both Committees have agreed upon. In addition to this, there will be probably sixty or seventy Bills presented to-day from the Commons, in which it will be necessary to restore the clause. Without making the motion in regard to each Bill, I would ask the House to permit the amendments to be made forthwith. Thus we shall avoid a great deal of repetition, not only in the Orders of the Day, but also in the Journals. When the Bills come from the Commons I shall move concurrence in the Commons amendment.

I therefore move in amendment that the word "not" be inserted before the word "now" and the following added at the end of the motion: "but that the Bill be amended by striking out section 1 and substituting the following:

> The said marriage between Katherine Gossage and Thomas Gossage, her husband, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever.
>
> 2. The said Katherine Gossage may at any time hereafter marry any man she might lawfully marry if the said marriage with the said Thomas Gossage had not been solemnized.

The amendment of Hon. Sir James Lougheed was agreed to.

The Bill, as amended, was read the third time and passed.

The following Bills were similarly amended, read the third time and passed:

Bill A5, an Act for the relief of Alice Moore.—Hon. W. B. Ross.

Bill B5, an Act for the relief of Alexander Cruikshank—Hon. Mr. Ross (Middleton).

Bill C5, an Act for the relief of Francis Albert Armstrong.—Hon. W. B. Ross.

Bill D5, an Act for the relief of Edythe Kathleen Victoria Canniff.—Hon. W. B. Ross.

Bill E5, an Act for the relief of Helen Tuer. —Hon. Mr. McCoig.

Bill F5, an Act for the relief of Gordon Allingham.—Hon. Mr. Pardee.

Bill G5, an Act for the relief of Hilda Maud Ward.—Hon. Mr. Bennett.

Bill H5, an Act for the relief of Rosie Race. —Hon. Mr. Robertson.

BANKRUPTCY BILL

SECOND READING

Hon. Mr. HAYDON moved the second reading of Bill I5, an Act to amend The Bankruptcy Act.

Hon. Mr. DANDURAND: Will the honourable gentleman explain what this Bill covers?

Hon. Mr. HAYDON: Honourable gentlemen, the Bill is a proposal to amend section 20 of the Bankruptcy Act. The information, so far as I have it, comes to me from solicitors in the city of Toronto. Section 20 of the Bankruptcy Act provides that:

(2) The permission given for the purposes of this section.

That is, permission from the trustee to solicitors to represent him—

—shall not be a general permission to do all or any of the above-mentioned things.

That is, to bring actions, defend actions in the courts, etc.

There have been some interpretations given by the Judge in Bankruptcy and by the courts, I understand, restricting the application of this clause, and the intention of the amendment is to give a larger freedom and a wider interpretation, and to settle some doubts that seem to exist on such judgments as have been given thus far.

Hon. Mr. McMEANS: What was the original section?

Hon. Mr. HAYDON: I am sorry I have not the whole of it, but section 20, subsection 1 of the Act says:

The trustee may, with the permission in writing of the inspectors, do all or any of the following things.

That is a series of things, some of them, for instance are:

(c) Bring, institute, or defend any action or other legal proceeding relating to the property of the debtor;

(d) Employ a solicitor or other agent to take any proceedings or do any business, which may be sanctioned by the inspectors.

Then, there is a restricting clause:

(2) The permission given for the purposes of this section shall not be a general permission to do all or any of the above-mentioned things but shall only be a permission to do the particular thing or things or class of thing or things which the written permission specifies.

The proposed amendment is in the following words:

Provided, however, that the inspectors may by resolution authorize the trustee to retain or appoint solicitors, in which event it shall not be necessary for the trustee to obtain permission in writing from the inspectors to employ a solicitor or solicitors as set out in subsection (1) of this section and paragraphs (c) and (d) thereof, and the authority contained in any such resolution shall be sufficient to authorize the trustee to retain solicitors in any matter which he deems necessary without further authority or permission from the inspectors or creditors.

Hon. W. B. ROSS: That is to give lawyers a chance to charge more costs, is it not? I do not think that that Bill should be passed in a hurry.

Hon. Mr. McMEANS: Does the information that has reached the honourable gentleman come from more than one section? Is this a resolution from the Bar Association, or does the suggestion come from merely one firm of solicitors, or a single solicitor, or does it come from trustees or others who have had experience with the Act?

Hon. Mr. HAYDON: I do not know of any resolution. I am sorry if my information is insufficient. I did not know that I would have to give an explanation at this time. If it is in accordance with the usages or rules of the Senate, and would be agreeable to the House, this Bill might go to Committee, and I could then be ready to make a full explanation of it.

Hon. W. B. ROSS: I think perhaps the honourable gentleman would be well advised if he let the Bill stand over until next week.

Hon. Mr. DANDURAND: Except that we might agree to send it to the Banking and Commerce Committee.

Hon. W. B. ROSS: I doubt if you would need to do that at all if it stands over.

Hon. Mr. DANDURAND: Last year we had amendments to the Bankruptcy Act, which went to the Standing Committee on Banking and Commerce.

Hon. W. B. ROSS: Well, send it there now; that would be satisfactory.

The motion was agreed to, and the Bill was read the second time, and referred to the Standing Committee on Banking and Commerce.

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

THE SENATE

Friday, June 13, 1924.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS

ADVERTISING AND PRINTING—MOTION FOR RETURN

On the Notice:

By the Honourable Mr. Tanner:

That he will call the attention of the Senate to the following matter and will enquire from the Government:—

1. In what newspapers in Canada did the Canadian National Railways advertise during the years 1922 and 1923?

2. What was the cost of such advertising in each newspaper, in each of said years?

3. What persons, firms and corporations in Canada supplied printing, lithographig, etc. (commonly known as job printing), for the said Railways in the said years?

4. What was the amount of the contracts or orders to each of such persons, firms and corporations in each of said years?

Hon. Mr. DANDURAND: I would suggest that the honourable gentleman transform his inquiry into a motion for a return.

Hon. Mr. TANNER: With the consent of the House, I move that it be treated as an Order of the House for a return.

The motion for a return was agreed to.

MEMBERSHIP OF LEAGUE OF NATIONS

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What are the names of the 54 nations said to be members of the League of Nations?

2. What is the population of each nation, giving separately the white and coloured population?

Hon. Mr. DANDURAND:

1. Abyssinia, Albania, Argentine, Australia, Austria, Belgium, Bolivia, Brazil, British Empire, Bulgaria, Canada, China, Chile, Colombia, Costa Rica, Cuba, Czecho-Slovakia, Denmark, Esthonia, France, Finland, Greece, Guatemala, Haiti, Honduras, Hungary, India, Irish Free State, Italy, Japan, Latvia, Liberia, Lithuania, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Persia, Peru, Poland, Portugal, Roumania, San Salvador, Kingdom of the Serbes, Croats and Slovenes, Siam, South Africa, Spain, Sweden, Switzerland, Uruguay, Venezuela.

2. No information.

WAR REVENUE BILL

FIRST READING

Bill 142, an Act to amend the Special War Revenue Act, 1915.—Hon. Mr. Dandurand.

TRUST COMPANIES BILL

FIRST READING

Bill 173, an Act to amend the Trust Companies Act, 1914.—Hon. Mr. Dandurand.

LOAN COMPANIES BILL

FIRST READING

Bill 174, an Act to amend the Loan Companies Act, 1914.—Hon. Mr. Dandurand.

INSURANCE BILL

FIRST READING

Bill 175, an Act to amend the Insurance Act, 1917.—Hon. Mr. Dandurand.

DIVORCE BILLS

SECOND READINGS

Bill J5, an Act for the Relief of Albert Edward Briggs.—Hon. Mr. Haydon.

Bill K5, an Act for the Relief of Louisa Elizabeth Smith.—Hon. W. B. Ross.

The Senate adjourned until Tuesday next, at 8 p.m.

THE SENATE

Tuesday, June 17, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill M5, an Act for the Relief of Florence Castle.—Hon. Mr. Haydon.

Bill N5, an Act for the Relief of Frances Hadenka.—Hon. Mr. Haydon.

Bill P5, an Act for the Relief of Louise Powell.—Hon. W. B. Ross.

Bill Q5, an Act for the Relief of Margaret Johnston.—Hon. Mr. W. B. Ross.

Bill R5, an Act for the Relief of Hilda Girdler.—Hon. W. B. Ross.

PRIVATE BILL

FIRST READING

Bill O5, an Act to change the name of the Banque d'Hochelaga to the Banque Canadienne Nationale.—Hon. L. C. Webster.

CUSTOMS BILL (VALUATION)

FIRST READING

Bill S5, an Act to amend The Customs Act (Valuation of Foreign Goods for Duty).—Hon. Mr. Reid.

SOUTHERN NEW ENGLAND RAILWAY

INQUIRY AND DISCUSSION

Hon. G. D. ROBERTSON rose in accordance with the following notice:

That he will call the attention of the Senate to the necessity and desirability of completing the Southern New England Railway; and will enquire from the Government as to its intention respecting it?

He said: Honourable gentlemen, in giving notice of this inquiry my desire was to bring to the attention of this House and of the Government an opportunity of greatly extending the traffic and business of the Canadian National Railway System, rendering it more profitable, the business to be obtained being from new territory and not involving competition with any existing Canadian railway. I will undertake to be reasonably brief, but I desire the opportunity of laying frankly before this House a number of facts respecting this matter which I think will be interesting to honourable gentlemen and of course also of interest from the standpoint of the welfare and prosperity of the National System.

Outside of government itself, there is perhaps no domestic question that is of such interest or so important to the Canadian people as our railway problem. In view of the fact that over two billions of dollars represent the liabilities of the Canadian National Railroad to-day, as shown in the last annual report, and that the accumulated deficits, as per item No. 784 of that report, show a total to date of over $283,000,000, it surely devolves upon Parliament and upon the people of the country to give serious consideration to ways and means whereby that debit balance may at least be not increased, if it cannot be reduced at the moment.

The history of our Canadian National Railways in the past few years has demonstrated clearly to all concerned and interested that the solution of our problem is the increasing of the traffic to be handled over the mileage now existing, and the construction of such additional mileage as will be profitable, either immediately when it is finished or at a reasonably early date.

During the past four years we have witnessed with satisfaction the gradual reduction in cost of operation. That is to say, it costs less to earn a dollar as each year goes by. I think that in 1919 or 1920 it was costing about $1.28 to earn $1. That was reduced step by step in the succeeding years until it was cut down in 1923 to I think 92 cents. Meanwhile the business handled by the railway had substantially increased. This indicates that if the tonnage to be handled can be increased, the cost correspondingly decreases, and if we can reach the point where the traffic is increased sufficiently, the road will be self-sustaining. Therefore when an opportunity presents itself by the construction of a short piece of railway, which will be not only self-sustaining but very profitable from its inception, it seems to me that it merits our consideration in detail for a few moments.

The Canadian National Railway lines in 1922 earned in gross revenue the sum of $234,000,000, or a rate of $10,709 per mile; and it cost in that year 98.77 cents to earn each dollar that the railroad took in. In 1923 the business increased to $254,000,000, an increase of $20,000,000 in gross revenue. The Company was operating 21,850 miles of line that earned an average of $11,218 per mile. As a result of that increase in gross earnings and the increased earnings per mile of the line, the operating cost was reduced from 98.77 to 92.6 cents.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman where this railroad is? We could follow him better.

Hon. Mr. ROBERTSON: I will come to that in just a moment, if my honourable friend will bear with me.

I was attempting to show at the beginning that as the traffic increases the cost of operation correspondingly decreases, and the operating ratio therefore shows better prospects of profitable results.

The Central Vermont Railway, a line 371 miles in length, extending from Montreal, or, to be exact, from St. Johns, Quebec, to New London, Connecticut, running almost directly north and south, is a part of the Canadian National System. It was for many years controlled, and the majority of the stock was owned, by the Grand Trunk Railroad, and during that period—about 1910, I think—the Grand Trunk Railway under the then existing management conceived the desirability of constructing a line from Palmer, Massachusetts, to Providence, Rhode Island. Palmer, Mass., is 65 miles north of the southern terminus of the line at New London, and 306 miles south of the city of Montreal. From Palmer, Mass., the main line of the Central Vermont to Providence, Rhode Island, the distance is 78 miles.

The State of Rhode Island has no railroad whatever except the New York and

New Haven system, and southern Massachusetts and eastern Connecticut are served almost exclusively by that same railway. I will show to honourable gentlemen shortly that the industrial development of that area of the New England States has been so great, the traffic is so heavy and so congested at the present time, and has been so heavy and so congested for some years past, that the railroad now serving the area is quite unable adequately to take care of the business offered. The New York and New Haven Railroad itself would welcome the construction of this particular line that I will bring to your attention to-night.

The Central Vermont Railroad has never been regarded as a profitable adjunct of the Grand Trunk or the Canadian National Railways, so far as the earning power of the Central Vermont itself is concerned. It showed a deficit last year of $1,078,000. But that is a conclusion that one reaches from a superficial survey When one analyses what the Central Vermont is to the Canadian National System, one arrives at another conclusion. The Central Vermont Railroad is the only avenue that the National Railway has by which to reach New England points, and through it flows a very substantial amount of traffic from Canadian to American points, and vice versa. But, in addition to that, the great proportion of the Central Vermont traffic is traffic that originates at New England points and is destined for points west of the Detroit frontier, and even beyond the Chicago gateway; and the Central Vermont is the distributing instrument for a large amount of traffic which originates west of the Detroit river, and even west of Chicago, and which is conveyed by the National Railways through Canada. Therefore the Central Vermont, even though the proportion of earnings that it brings may not seem to make it a paying proposition, yet is the feeder and the distributing agent for a tremendous traffic which now passes over the Canadian National Railways between the Detroit frontier and Montreal, and which is profitable. Notwithstanding that the Central Vermont does not at present pay its own way, yet it is true and encouraging to realize that its gross earnings last year were $8,627,000, on a total mileage of 592 miles, including branch lines, or $14,574 per mile—which is $3,865 per mile more than the average for the entire Canadian National Railway System. I point that out to honourable gentlemen in order that you may appreciate the force of the argument that I have presented with reference to increased traffic resulting in decreased operating expenses; for when you look at the operating ratio of the Central Vermont you find that it is to-day 88.98 as compared with 92.6 on the Canadian National—a further evidence of the fact that increased volume of traffic results in lower operating costs. Therefore if the business handled by the Central Vermont, as a tributary to or a feeder for the National Railways, can be substantially increased, it certainly means that the Central Vermont is an asset instead of a liability and at the same time affords further profitable business to the Canadian National itself.

As to the territory that is to be served by this road, the Central Vermont, as I pointed out, runs from Montreal to New London, Connecticut, a distance of 371 miles. New London is situated at the head of Long Island Sound, and there is a boat service in connection with the railway from New London, Connecticut, to New York. But New London is the terminus of the railway.

Hon. Mr. BELCOURT: How much of that is in Canadian territory?

Hon. Mr. ROBERTSON: None whatever.

Hon. Mr. BELCOURT: From Montreal to St. Johns?

Hon. Mr. ROBERTSON: There are probably 45 miles to St. Armand, Quebec, which is near the boundary.

In the States of Rhode Island, Connecticut, Massachusetts, and Vermont there are 6,187,000 people, and this line, if built, will directly serve about a million and a half of people. It will serve in the State of Rhode Island alone more than 10,000 business concerns of various sorts. I will give you some details as to the development of the industrial life of that territory. Around Narraganset Bay the development has been phenomenal and almost unbelievable during the last ten or fifteen years. There are reasons for it, some of which I intend to point out to the House. You will realize the significance of this statement when I say that the State of Rhode Island alone, which on the map is only about the size of a postage stamp, contains 640,000 people at the present time. The manufactured products in 1914 were valued at $285,000,000, and in 1923, at $1,078,000,000. Three years prior to 1914 the Grand Trunk Railroad had deemed it advisable to construct this line, and the capital was provided for its commencement at least, and the construction undertaken; and if I remember correctly, during the years of 1911 and 1912, it was actively prosecuted, with the result that by the end of the second year something like seven million odd dollars had been spent, the right of way had been

wholly purchased and paid for, and the grading entirely completed. In addition, the concrete and other materials used in the foundations for bridges, etc., were finished. Bridges were ordered. The laws of the states through which the road passed were rather stringent with regard to high level crossings. I think that there are something like 62 high level crossings in these 78 miles of railway, and the abutments and approaches for these high level crossings are complete to-day, and have been since 1912. There are 44 bridges for these overhead crossings that were fabricated at the time and are still complete and available for use. So this is not the commencement of a new project; it is the completion of a project that was considered necessary in 1911, and the necessity for which has increased at least four-fold since that time.

It is estimated that it will take about $7,000,000 more to complete the road. There is in the city of Providence property purchased and cleared that will accommodate nearly 2,000 railroad cars, in the heart of the industrial district, and it is undoubtedly true that, if built, the road would pay handsomely from the beginning.

I mentioned a few moments ago—and I am sorry to have made my remarks somewhat disconnected—the value of the output of the ndustrial plants. I desire to point out also that in 1914 the value of materials imported by these industries was 162½ millions, and in 1923 it increased to 416 millions. Most of the raw material has to be imported. A great deal of it comes in by rail. A very large proportion, indeed the majority of the manufactured goods, have to be shipped out by rail, because they largely go to Canada and the United States Middle West.

The Central Vermont Railway, I understand, the nearest point to Providence being 78 miles away, is not to-day in a position to compete profitably. It must pay the New York and New Haven Railroad an arbitrary on a proportion of the through freight rate if it gets the business from the New Haven at the nearest junction point; but the New Haven, like every other railroad, has followed the practice of hauling the traffic offered and originating on its line as far as possible, and therefore takes it to New York, or to what is commonly known as the Harlem river gateway. The Harlem river gateway has become so congested as a result of increasing business that it has not been and is not able adequately to take care of the traffic offering. The President and the Secretary of the Board of Commerce of the city of Providence, when I was making some investigation into this matter, placed in my hands evidence giving details and dates, with which I will not burden the House, to show that during I think the year 1920 or 1921 there were only 83 days in the 365 when there were not freight embargoes on that railway, and that the people in the New England territory—not only Rhode Island, but Connecticut and Massachusetts—went to points west of the city of New York, where cars were standing on sidings because they could not be moved forward through the congestion at the New York terminals, and unloaded hundreds of carloads of automobiles, and drove them to their destinations in the New England States. Those people are crying out for the service that can be given by the Canadian National from the Detroit frontier via St. Albans, Vermont, into this intensely populated territory.

I would also point out that there has been a marvellous increase in the business exchanged between Canada and the United States. Surely it is not improper to suggest that the Canadian National Railways, as far as possible, should carry the traffic that originates in our own country as near to its destination as possible. A tremendous quantity of Canadian products goes into this very territory. I could quote from one of our leading newspapers, the Montreal Gazette, which in February last referred to the fact that more than $71,000,000 more of Canadian business went to the United States in 1923 than in the year previous, and that during February, 1924, we sold $30,500,000 of goods to the United States and only $15,000,000, to Great Britain. This will enable honourable gentlemen to appreciate the importance of adequate transportation facilities to carry those goods as near as possible to their destination and with the greatest profit to our own railway.

Now may I give the House a little idea of the industries and their size, and the number of employees that they have in the city of Providence alone—and when I refer to Providence, I refer to Greater Providence, which includes Pawtucket and Lincoln and one other municipality.

Hon. Mr. DANDURAND: Woonsocket.

Hon. Mr. ROBERTSON: Municipalities which are to Providence what Westmount, Maisonneuve and Notre Dame de Grace are to Montreal. Within that area there are 19 enormous cotton mills that employ 39,000 people; there are 72 woolen mills that employ 28,000 people; there are 19 knitting mills that employ 14,000 people; there are 16 rubber factories that employ 9,800 people; there are 9 silk factories that employ 2,700 people; there

are 33 bleaching establishments that employ 10,700 hands. And let me say that these establishments are located in that particular place because of what to me was a very peculiar and interesting reason. Probably fifteen years ago it was suggested that the cotton industry, for example, was likely to be lost to the New England States and removed to the Southern States, the question being, why was it not desirable and feasible to manufacture cotton goods where the cotton was grown? There seemed to be no answer to the argument, and as a result a number of cotton factories were built in the Carolinas and Georgia.

Hon. Mr. CASGRAIN: And cheap labour down South.

Hon. Mr. ROBERTSON: I am glad to have that admission from my honourable friend rather than to have to make it myself. In addition to that, the transportation of the raw material was also a factor. I was astounded at this growth, and I inquired specifically why it was that the industry was leaving the other territory and coming to this point. The answer was that it was the only territory on the North American continent that had exactly the right climatic conditions, similar to those existing in England, for the manufacture of textiles; that there must be a certain moisture in the air, and that fog and salt water had their influence, especially upon the dying and bleaching industries. That is why these industries were concentrating in that territory.

The territory is also famed, of course, as being the headquarters of the jewelry industry in North America. There are 113 jewelry manufacturing establishment in the locality I have described to say nothing of Connecticut and Massachusetts, that employ 10,300 hands; and there are 90 institutions manufacturing hardware and machinery, that employ 24,500 hands, making a total of 139,000 hands in the plants I have named, in that small territory, which looks like a postage stamp on the map, and which is populated by three-quarters of a million people.

Hon. Mr. BELCOURT: What are the raw materials imported from Canada by these industries?

Hon. Mr. ROBERTSON: My honourable friend will perhaps recall that I did not state that raw materials going from Canada entered particularly into these commodities. But there are paper mills, for instance, down there. That is one of the outlets for a very important Canadian product. In addition to that, since my honourable friend from De Lanaudière (Hon. Mr. Casgrain) has referred to cheaper labour in the South, I would say to him that a very large proportion of the labour that is to be obtained in the New England States is of the good French-Canadian type, skilled in this sort of work, and that there are apprentices available to be taught by experts. That is another of the reasons why this industry immigrated back to this territory instead of remaining in the South.

I think I have, perhaps, given some reasons why it is desirable to get access for our Canadian National railways to a territory so densely populated and so highly industrialized when traffic can be carried to and from it, not only over this 78 miles of line which I think should be built, and when profits will accrue to the Canadian National railway.

There was another startling fact that presented itself to me on looking into this matter. If honourable gentlemen will pardon a diversion, I may say it was two years ago, I think, that this question was referred to in some way in this House. I suggested caution at that time, and said the matter should be carefully investigated before being endorsed. After having expressed that opinion, I felt that probably it was as fitting that I should make the investigation as that someone else should do it. That is one of the reasons, in addition to the fact that the opportunity presented itself, why I took some interest in the question. The other fact that I referred to was that the construction and completion of the Panama Canal has had a tremendous bearing upon and has caused an important change in the routing of traffic between the Eastern States and the Pacific slope. I will just give an illustration. I saw a lumber yard in the city of Providence which was only two years old. It covered approximately 100 acres of land. Three years ago it was not there. It was opened in 1922, and there was brought around, through the Panama Canal from Puget Sound ports, 40,000,000 feet of lumber. That lumber was not used in the State of Rhode Island alone, but was distributed as far west as the State of Ohio, and it was said that it could be sent in that way, even to the city of Chicago, at a less cost from the standpoint of freight rates than by the overland car rate from Seattle to Chicago. In 1923 that business had prospered so that they increased their sailings from once every two weeks to once every ten days, and they sold in 1923 60,000,000 feet of the products of the Pacific slope lumber camps. In 1924 the programme is to increase the sailing to one every week, and this year their programme is to handle 100,000,000 feet.

When one concern is bringing into that territory 100,000,000 feet of lumber a year, honourable gentlemen can easily estimate what it will mean in carload lots and railway traffic. It is all new business in addition to what was there before. That is only one industry of a number, but it is one that came forcibly to my attention. The boats in that service are 8,000-ton boats, and have to go back for another cargo, and they are willing and ready and anxious to carry freights back to American Pacific coast ports at a reasonable and indeed a nominal rate. Honourable gentlemen can go down there and see going into those boats carloads of freight that otherwise would go west overland, and this means an increased railway traffic in each direction.

In my humble opinion that is the principal explanation of the congestion of the railroads of the United States that touch the Atlantic seaboard. That change in the routing of traffic has come to stay, and as it becomes better known it will become increasingly profitable, and the result will be a constantly increasing trade in that direction. I saw 72 carloads of automobiles standing on the tracks down there waiting to be loaded into boats. Those automobiles were manufactured in Detroit and adjacent cities, that being the automobile centre. I inquired from the railway people as to the division of the earnings on that traffic, because I realized at once that if business in large quantities could be brought in that direction, it was profitable not only to this little bit of railroad that I speak of, but to the whole Canadian National system. I found that for the month of March this year 92 carloads had come down over the Canadian National and Central Vermont railways from Detroit. On each car the Central Vermont earned $73.09, but on the same traffic the Canadian National earned $136.26.

My point is that if we can, by the completion of this 78 miles of line, get access to that intensely populated and highly industrialized area, and carry American traffic from the Central Vermont to the Atlantic seaboard and help out the congestion there, which we are urged to do, and at the same time get return business, it is good for the Canadian National railways as a whole, it is good for Canada as a whole, particularly when it is not taking this traffic from any other competing Canadian railroad. There is in my opinion little virtue in building railroads in Canada to divert traffic from other Canadian roads. That does not benefit the people of Canada, because either the Canadian Pacific railway or the Canadian National railway is giving very good service. But if we can go into this new territory where business has extended to such a point that present facilities are unable to cope with it, and can bring traffic to the Canadian National System, it is good business for the railroad and for Canada.

The estimated cost of the completion of these 78 miles of road is about $7,000,000. That will put the road in operation and equip it, and build terminals and all that is required.

But there is another feature that is more serious. The States concerned, which have granted charters, have already given intimation of their intention of requiring that the property be restored to its original condition if the railroad is not completed. It is estimated that this will cost $5,000,000. I do not think any one wants to throw away $5,000,000 to fill up the hole that has been dug down there. I think it would be much better business to complete the line and put it into operation. Not only would the road carry itself handsomely, but it would put the Central Vermont on its feet, and would be an important and profitable factor to the Canadian National Railways.

I consulted business men in the city of Providence, who stated several other interesting facts. They stated that the State of Rhode Island was not only the smallest in the Union, but also one of the wealthiest, being 38th in point of wealth and 39th in point of population. They said: "We want that road so badly that if the Canadian National Railways will guarantee the bonds, the money can be raised right here in the State of Rhode Island, and it will not cost Canada a cent." I suggest, honourable gentlemen, that it is good business to give them the opportunity, and I implore the Government to give immediate consideration to this important problem and aid in making our Canadian National Railway a success, help to make the Central Vermont railroad a paying proposition instead of a burden, and at the same time render a valuable service to our country.

Hon. J. P. B. CASGRAIN: The honourable gentleman has spoken very well indeed, and shows a thorough knowledge of railway operation and of the localities of which he has spoken, and so on; but I may say that I have always remembered the Central Vermont Railroad, with which I am familiar, as showing a loss and being a drag, even under the private ownership of the Grand Trunk. The honourable gentleman forgets that it would be the money of the taxpayers

of Canada that would actually go to the building of this railroad in the United States. We have already got 1,600 miles of railroads in the United States, which are run by the taxpayers of Canada. Perhaps the honourable gentleman knows better than I do, and if I am wrong he will correct me, but I doubt very much if there is one of those lines in that wealthy country which is not run at a loss to the taxpayers of this country, except the line from Chicago to Sarnia. That line, I am told, is a great feeder of the Grand Trunk system, and I have heard, on many occasions, that in a normal year the Grand Trunk Railway got from that line 63 cents of every dollar it earned. But honourable gentlemen must remember that the Grand Trunk Railway system is after all an American railway. It begins in Chicago, where it has wonderful terminal facilities—I do not know of any railroad in the United States that has better facilities in Chicago; it runs through Canada for the sake of convenience, and ends in Portland. It is an American road which takes a short cut through Canada. I am really astonished, when you consider that we have Government operation, that the honourable gentleman should suggest that we should try to run roads in the United States under Government operation. The United States themselves have tried Government operation, and surely they were in just as good a position as we are to operate in their own country. Nevertheless, the amount lost every day ran into millions, and in addition the roads were left without improvements and maintenance of way; and railway authorities say that it will take fifteen years from the time the Government stopped operating the roads in the United States to put them in as good condition as they were in when they were taken over.

The honourable gentleman said the Vermont Central received $14,000 per mile, which is much more than is received by any railroad in Canada. The Canadian Pacific east of the Great Lakes receives $11,000 per mile gross receipts, and in the prairie provinces of the West $8,000 per mile. I do not know what the Canadian National railways are getting, but, judging by the general results, they cannot be getting as much. Here is this road getting $14,000 per mile, and still running at a loss. Are we to extend it by 78 miles in the United States, under Government ownership, when the American people could not make their roads pay? It is said that $5,000,000 spent by the Grand Trunk in buying right of way, I suppose, and so on, will be lost; but if this is such a good proposition, can you understand the people there—they are fine people—not doing the work themselves? They are willing to take our bonds—the bonds of the Dominion of Canada—and it will not cost us a cent. We have tried that game of giving bonds before. We gave them to Mackenzie and Mann and others. It has cost this country something. We would have to pay the coupons on those bonds; there is no doubt about that. So I do not think it is any favour at all for these wealthy gentlemen in Providence, Rhode Island, to say to us that they will accept Canadian Government bonds. I do not think that is any inducement at all, because there would be interest to pay. Would they do it without interest—with no coupons?

Hon. Mr. ROBERTSON: If my honourable friend will permit an interruption—I never suggested the issue of bonds by the Canadian Government at all.

Hon. Mr. CASGRAIN: A guarantee.

Hon. Mr. ROBERTSON: I stated to the House that my information from responsible gentlemen in the city of Providence was that the money necessary to complete the line could be raised there without difficulty. The Canadian National Railways would guarantee the bonds. Now, I am aware that I should not discuss the question further—

Hon. Mr. CASGRAIN: Certainly, certainly.

Hon. Mr. ROBERTSON: But there was one point I forgot to mention, and that I think is of some importance. During the month of April 409 cars passed through St. Albans, Vermont, which is the headquarters of the Central Vermont, from points off the Canadian National Railroad, destined to the city of Providence. What occurred in the month of April—and it occurs practically every month in the year, because the business is regular and the traffic flows in both directions—that will give honourable gentlemen an idea of what the traffic would probably be at the outset. Now, that has to be handed to the connecting lines and hauled a longer distance to its destination, and the connecting lines participate in the revenue of the through route, which has to be divided up. It seems that at the present time the traffic would go say to New London, Connecticut, which is the end of the line, 65 miles beyond Palmer, and then a distance of about 90 miles over the New Haven. If this branch from Palmer to Providence, which is already largely constructed, is completed, a

distance of 78 miles, you save the haul from Palmer to New London, 65 miles, over the Central Vermont, and for 13 miles further. You put that traffic into Providence and collect the whole of the revenue, instead of dividing it with another railway. That was an important point that I omitted to call to your attention.

Hon. Mr. CASGRAIN: The point that the honourable gentleman raised before making his little speech was that a guarantee was asked from the Canadian National Railways. Well, how can the Canadiain National Railways guarantee anything? Is it not the Canadian Government that would have to go behind it? What would be the value of the guarantee of a system that is running behind year in and year out? It is the Canadian Government—it is rather the taxpayers of Canada—who would have to give the guarantee to these wealthy people. We do not owe them any gratitude at all for offering to take the bonds of Canada on the condition of a guarantee. If the proposition is so good, why do not they guarantee the bonds? Think of all the money in the United States. For instance, you see by the newspapers that money in New York is at 2 or 3 per cent. Why would they not build this wonderful line themselves? I cannot understand why. There may be good reasons, but I cannot understand why they would not build it.

A great deal was made of the lumber. It was said that there were 40,000,000 feet of lumber. Forty millions looked like a large quantity. Then it grew to 60,000,000, and that looked bigger still. And now we are talking of 100,000,000, and you would think that an enormous quantity. But right in this city, at Mr. Booth's mill, they cut much more than that; and our late colleague Senator Edwards used to cut many years ago 125,000,000 or 130,000,000 feet, and we did not make a fuss about it.

The honourable gentleman spoke also about the jewelry that was going to be made there. That would not help the freight very much.

Hon. Mr. ROBERTSON: And raw materials too.

Hon. Mr. CASGRAIN: However, it was very interesting to hear the honourable gentleman's statements. I know it must be an eyesore for people to see the abutments along the sides of the streets. Here in Canada we have to be satisfied with level crossings, but in the United States people have insisted upon overhead crossings, etc.

I say it is a great detriment for Canada to own a single mile of railway in the United States with the exception of the Chicago line. What are we losing already? And here we are a country not diminishing its debt, but increasing it every year. The National Railways are doing business in the United States at a loss. I think we have had enough of it. There are 1,600 miles, from which you must deduct the 400 that I speak of, the line to Chicago. That leaves 1,200 miles on which we are carrying the business of those wealthy Americans at a loss to the taxpayers of Canada. I am against that from start to finish.

Hon. J. D. REID: Honourable gentlemen, I would not like to see this resolution passed without saying a few words on it.

Hon. Mr. ROBERTSON: It is only an inquiry.

Hon. Mr. REID: I have great confidence in the future of the Canadian National Railway System, but I am certainly opposed to what is suggested by this inquiry, and for several reasons. The intention was, I think, to build the road to New London—I believe that was the name of the point on the Atlantic coast. The proposition originated with the Grand Trunk Railway Company fifteen or twenty years ago. At that time the Grand Trunk was a private corporation. It was looking for another port and for traffic to carry over its system and into the United States at the eastern end. The Grand Trunk spent about $7,000,000 on this proposition, but the work was stopped about 1911, and no more money has been spent upon it. I had occasion to examine into this matter, and, while possibly it would provide another port and bring the traffic over the Grand Trunk Railway system, still I could not bring myself to believe, nor was it impressed on me while I was Minister of Railways, that it would be in the interest of the Canadian National System as it now stands to proceed with an expenditure of $7,000,000 to complete that road.

The Canadian National Railway System as it stands at the present time is a combination of several railways; and I have always believed that when it was made into one system the intention of the Government of which I was a member, or any other Government that might succeed it, was to continue to improve and extend the Canadian National Railway System in Canada, in the belief that if it were properly developed in our own country the road would be made a success. If I thought for one moment that in order to make the Canadian National Railway System a success it would be necessary for

us to go into the United States and build railways and spend money there, then I for one would be opposed to any further operation of the Canadian National Railways by the people of Canada. The Canadian National Railway runs in territory which is just as good as, if not better than the territory of the Canadian Pacific Railway, and I am confident that, with proper management, like that of the Canadian Pacific Railway, the Canadian National will before many years be an asset, without our having to build railways in the United States.

Hon. Mr. CASGRAIN: Private ownership.

Hon. Mr. REID: There is another reason which I would give for not further building railways in the United States. I would like to see our own country have the terminal ports for our great railway system. I would like to see every pound of traffic that passes over our system for foreign countries transferred at St. John or Halifax. The answer that is given to that proposition is that the haul to Portland or to New London, if you build this road, is shorter; but the Canadian Pacific Railway has made money in handling all its traffic at St. John. It is not simply a question of the loss of traffic on a few more miles to St. John, or the loss of the earnings resulting from the goods being transferred or held in our own country. If there are thousands or hundreds of thousands of tons of traffic to be transferred at an ocean port, the work gives employment to thousands of men, and material is required in the transportation of the goods. Thus we are giving employment to citizens of our own country; and, furthermore, we are keeping for our own country, instead of spending abroad, the money paid for freight. Therefore, if for no other reason, I would say, let us build up and use our own ports, in which we can control that traffic, instead of handing it over to the United States a short distance from Montreal.

There are other reasons too. One other reason is this. If we are going to spend money to get traffic in the United States to come over our own road, we ought to know and understand that a law has been passed in the United States providing that traffic that comes from a foreign country and off their own vessels, will be carried over their own railways through their own territory at a cheaper rate than freight that passes through a foreign country. I think that statute is known as the Jones Act. Now that we as a Government own this road, if the United States people believe that their railways are not going to get the traffic that is sent across Canadian territory and finally into American territory again, their Railway Commission will have some law enacted to make it impossible to carry freight on our road at a rate that will pay. They will look after their own traffic and will see to it that what originates in or passes through their territory goes on their own systems, and that they get the whole benefit from it. We place ourselves in the hands of the American Railway Commission if we practically abandon our own ports and route goods over American lines.

Then there is a question that I would like to ask the honourable leader of the Government: whether or not we have power to build railways in a foreign country. True, we are shareholders in a line entering the United States, and I do not suppose the people of the United States would object. In fact, when we took over this railway system we simply acquired the stock. But to start building railways in another country is something which I do not think we have power to do. If we have power now to build railways in the United States, we would have just as much right to build lines in England or any other country. Therefore I think we should hesitate before branching out on a policy of that kind.

The honourable member who spoke on this matter stated that if the Canadian National Railways would guarantee the bonds those people in the United States would produce the money. If I remember the Canadian National Railways Act, the directors of the Canadian National Railways have no power to guarantee bonds without the consent of Parliament. If Parliament approved, they might have power to guarantee the bonds, but I think that in putting through the statute of which I had charge, we inserted a clause providing that the Canadian National Board only controlled operation, and that if bonds were to be guaranteed or any new railways built, it would be necessary to obtain the sanction of Parliament, as honourable gentlemen will see is being done with regard to all the Bills that we are now passing. Therefore, as the guaranteeing of the bonds by the Canadian National Railways would mean that Parliament must sanction the guarantee, the Dominion Government would really be responsible for those bonds. My personal feeling is that I would not on any terms guarantee a bond for one dollar to be spent on any railways that are to be built or any new extensions to be made in connection with the Canadian National Railways, outside of Canada.

The honourable member states that we are losing $7.000,000. I do not think we shall lose a dollar, and I will tell the honourable

gentleman why. At the time the Grand Trunk award was made this matter was brought before the arbitrators. They knew that seven or eight millions of dollars had been spent there, and I say—I do not think there is any doubt about it—that they did not consider that the line was worth anything, or it would have been finished long ago. I think they considered that with a great many other liabilities, and we paid when we took over the Grand Trunk. I think we got it with that expenditure practically as a bad debt. So I do not think we are saving $7,000,- or $8,000,000 by going ahead with the construction of this road now.

The honourable gentleman has laid great stress on the character of that territory, but we hear similar expressions about every extension or new railway that is proposed. There are a great many railways in the United States, and many of them in that very territory, and it surprises me that that portion of line down to New London has not been built long ago, if the territory is as good as it is said to be.

I am opposed unalterably to our having any more railways in a foreign country. We are at the mercy of that foreign country in the operation, control, and routing of traffic. If we have $5,000,000 to spare, I would rather see it spent in carrying out some of the contracts that were made by the old Canadian Northern railway and by the Grand Trunk railway many years ago —contracts which have not been carried out, and roads which have not been built, although ordered by the Board of Railway Commissioners. Take, for instance, the terminals at the city of Montreal. An order was made by the Board of Railway Commissioners to raise the tracks of the Grand Trunk railway going into that city. I think every honourable member will agree with me that the terminals in the city of Montreal, so far as the entrance and the station are concerned, are not suitable for such a great railway system. The order of the Board could not be enforced because the answer always was: "We have no money." In the city of Toronto there is the same trouble. The answer is: "We have not money to complete these contracts that were made." If we have not the money to carry out works that we feel are absolutely necessary in our own country, and which can be carried out just as quickly and easily if the Government guarantees the bonds, we should not run into an expenditure of money in a foreign country.

We have unlimited territory in our own country into which we could extend branch lines that would bring in traffic that would be treble what has been spoken of here this evening, and we would have the long haul all the way from the West to the eastern ports. If this were done, the result would be better than we could expect from the haul from Windsor to Montreal on the Grand Trunk. Give us one-quarter of the traffic on that line, and let us haul it all the way from Alberta or Saskatchewan to the East, and it will pay a great deal more than the short haul.

I hesitate to oppose any suggestion made by any honourable member to assist or benefit the Canadian National System. I am as anxious as any citizen of Canada to see it made a success, and to give any help possible to the Management towards that end. But I do oppose, and always will oppose, any suggestion that we should go over to the United States and expend money and develop part of that country in order to make the Canadian National railways a success. If I ever come to the conclusion that Canada is not big enough to develop the Canadian National Railway within its own borders, I will gladly admit it.

I do not object to the deficits at the present time. I knew there would be deficits, because the system had to be linked up, and I give credit to the Management for what they have done. The only suggestion I have had to make was that we should not build railways or do work on lines that would lose money until expenses and receipts more nearly balanced. If the Management of the Canadian National Railways keep on doing the good work they have done, the future of the system is assured; but I implore them, in the interest of Canada, not only now, but for the next fifty or one hundred years, to stand by Canadian ports and to build them up. If that is done, Halifax and St. John will be equal to Portland at least, and I would not be surprised if they became very much larger cities. My advice would be: "Do not spend money at present on this line." It would really be encouraging the railways to build up another American port, and saying to them: "You have the right to abandon St. John and Halifax"—a proposition that I will oppose as long as I am able.

Hon. Mr. DANDURAND: Honourable gentlemen, we should be grateful to the honourable member (Hon. Mr. Robertson) who has put this inquiry on the Order Paper for drawing the attention of this Chamber to the situation which confronts us. An asset of $7,000,000 lies across the line unproductive.

Hon. Mr. CASGRAIN: $5,000,000.

Hon. Mr. ROBERTSON: $7,000,000.

Hon. Mr. DANDURAND: The matter has not come before the other Chamber, as far as I am aware, and it is but just that the public and Parliament should be informed of the facts. I know that at the inception of the work of the Canadian National Board under the Presidency of Sir Henry Thornton the question now under discussion had to be considered, because our charter rights were about to expire in some of those States. I do not know what our situation is to-day, or if we are near the time when those charter rights will end. I will move the adjournment of this debate in order to ascertain what conclusions the Board of Management of the Canadian National Railways has come to, in relation to this projected line.

The debate was adjourned.

PORT OF TORONTO ADVANCES

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What amounts, if any, have been advanced to date for the port of Toronto?
2. If so, has the interest on these advances been paid regularly?
3. If not, why?
4. Is it the intention of the Government to collect these arrears, if any?
5. If so, when?

Hon. Mr. DANDURAND: I have an answer from the Department of Marine and Fisheries, as follows:

1. No advances have been made by the Department of Marine and Fisheries. All expenditures by the Government for Harbour facilities at Toronto have been made by the Department of Public Works.

I find, by an answer to a similar question in the House of Commons, that the expenditure by the Public Works Department from 1912 to 1923 inclusive was $7,068,366.47. This being an expenditure by the Public Works Department, I would draw the inference that no interest is expected upon the expenditure.

Hon. Mr. CASGRAIN: So the money is lost.

Hon. Mr. DANDURAND: The money is spent.

INCOME WAR TAX BILL

FIRST READING

Bill 143, an Act to amend the Income War Tax Act.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND: I have been asked to submit this Bill for a second reading, and to take it up in Commitee this evening, if such a proposal meet with the unanimous consent of the House. For that purpose I would ask leave of the House to move the second reading of the Bill.

Hon. W. B. ROSS: Honourable gentlemen, I have no objection to this Bill getting its second reading, but is a very important Bill and requires very careful examination. I think there is likely to be a considerable discussion on the Bill, and I would suggest to the honourable gentleman that he take the second reading to-night and refer the Bill to the Finance Committee.

The main difficulty about the Bill, so far as I have anything to say about it now, is in connection with making the Income Tax a lien on a man's assets. This is creating interminable confusion all over the country from the Atlantic to the Pacific.

Hon. Mr. DANDURAND: I draw my honourable friend's attention to the fact that his complaint is against the lien which existed last year, and that this Bill contains a clause qualifying it. We could perhaps read the Bill a second time this evening, and put it down for the Committee stage to-morrow. In the meantime, my honourable friend will have an opportunity of looking into the Bill. I draw the attention of my honourable friend to the fact that "section 25 of the said Act, as enacted by section 10 of chapter 52 of the Statutes of 1923, is repealed and the following substituted therefor."

Hon. W. B. ROSS: Yes.

Hon. Mr. DANDURAND: So that henceforth the lien will only avail after a date has been fixed, and all encumbrances, mortgages, or privileges which precede the mailing of the notice of assessment will rank ahead of this lien. I think this means a considerable improvement upon last year's legislation.

Hon. Sir JAMES LOUGHEED: May I point out the hardship that was created under the Bill of last year? The Bill made provision for a lien upon all land owned by parties chargeable with the payment of Income Tax. The consequence was, no lien being registered in the registry office of the district within which the land lay, an inquiry in Ottawa as to the lien upon the land was necessitated. For instance, I myself had a very important transaction in the city of Vancouver, and a requisition was made upon me to satisfy the purchaser that there was no lien. Under the Act of last year there would have been a lien upon every foot of land that the individual owned from the Atlantic to the

Pacific, entirely irrespective of the title being clear in the registry office. The consequence was that inquiry had to be made in Ottawa, and there was no machinery by which one could telegraph from any centre in Canada and get a certificate. This necessitated a search being made not only in the Department of Finance, but in the Customs Department, to satisfy those who served requisitions that there was no cloud upon the title. It is incomprehensible to me how honourable gentlemen on the other side of the House, astute lawyers particularly like my honourable friend from De Salaberry (Hon. Mr. Béique) and my honourable friend from Sarnia (Hon. Mr. Pardee) permitted that Bill to pass.

Hon. Mr. CASGRAIN: What about the Opposition?

Hon. Sir JAMES LOUGHEED: We were relying to such an extent upon the Government submitting legislation which would be practicable and which was in the public interest that we did not pay very much attention to it. But I must say that in all my experience of legislation I never encountered anything that operated to such an extent as the legislation of last year to cast a cloud upon a title. I am very glad this Bill has come before us this year, so that we may analyse the situation and bring this feature into conformity with the registration laws of the different provinces.

A question might possibly arise as to whether the Dominion Government by the legislation of last year had authority to supersede the priority which all charges against land had in the registry offices of the Dominion. A very serious constitutional question could have been raised, and now is the proper time, it seems to me, to investigate this subject, so that we will not be again charged with allowing legislation to pass through this House at any rate by which every foot of land in the Dominion may have a cloud upon the title.

Hon. W. B. ROSS: That is only a part of the difficulty. It is a lien on the whole of a man's assets. Under the change, instead of making it a first charge, and making this lien supersede registered mortgages and judgments, the lien upon the land will now come in after registered judgments. But it is still a lien upon a man's assets, and a man purchasing personal property is supposed to purchase it quite safely if he has no notice of a lien. But suppose a man is selling goods—he has horses or cattle or hay—this lien is on his personal property, and his neighbours cannot safely deal with him. If it is known that there has been a lien registered, they must make inquiry as to whether or not the lien has been satisfied, every time they buy a dollar's worth of property. The thing is difficult, and the reason that I wanted the Bill to go to the Finance Committee was to see if we could not get two or three lawyers to put their heads together and work out some rational system. You want to do two things. You want to secure the tax. I think it is a good thing to secure the tax if possible, because if A escapes paying, then B and C must have their taxes increased the next year to make up for what A escapes. So I am not complaining at all of the endeavour to secure payment of the income tax. But while you are doing that you have to see that you do no injustice to others, and it is not too easy. I spent some little time trying to see if I could devise a scheme, but I am not prepared to suggest offhand what would be the best thing to do about it.

Then there is the fixing of the amount. Is the Deputy Minister of Finance going to fix an arbitrary amount himself and have it recorded in the Registry Office, and have a lien placed on a man's land? Suppose then there is a change; that is, a change by way of reduction, or by way of increase. There is no machinery provided for such a change. In each district—I would say, in each county, because there are local officers who are collecting the income taxes—there ought to be some ready way provided for clearing up in time, within a few hours, the question as to where the lien stands, with regard not only to a man's real estate, but also his personal property. So I suggest to the honourable gentleman again that in my opinion he would lose nothing by allowing this measure to go to the Finance Committee. I would like to hear from Mr. Breadner and see if he cannot make some suggestion.

Hon. Mr. DANDURAND: Has my honourable friend read the amending clause regarding the lien?

Hon. Mr. ROSS: Yes, I have read it.

Hon. Mr. BELCOURT: Does not that settle the whole thing? Does not that answer every one of my honourable friend's objections?

Hon. Mr. ROSS: What?

Hon. Mr. BELCOURT: The new clause.

Hon. Mr. ROSS: Read what answers them.

Hon. Mr. BELCOURT: Section 7.

The Hon. the SPEAKER: Honourable gentlemen, I think that before the discussion goes any further it would be well to put it

in order. I understand that the honourable leader of the Government has asked leave to move the second reading of the Bill, but has not moved it yet.

Hon. Mr. DANDURAND: I would move the second reading. While on the second reading we may be able to discuss the whole question and decide whether to send the Bill to a special committee or refer it to the Committee of the Whole to-morrow. I move now, with the leave of the House, the second reading of this Bill.

Hon. Mr. ROSS: I am waiting now for the honourable gentleman's explanation.

Hon. Mr. BELCOURT: Honourable gentlemen, the section now proposed to be substituted for section 7 seems to me to answer all my honourable friend's difficulties. Section 7 provides:

7. Section twenty-five of the said Act, as enacted by section ten of chapter fifty-two of the statutes of 1923, is repealed and the following is substituted therefor:—

"25. (1) Any assessed tax, interest or penalty remaining unpaid after the date of the mailing of the notice of assessment shall constitute a lien upon the assets of the taxpayer notwithstanding lack of notice, registration or publication.

(2) Except as hereafter provided the lien hereby created shall be deemed to attach at twelve o'clock midnight of the day of the mailing of the notice of assessment and shall rank for every purpose after any transfer or security validly executed on or prior to the day of the mailing of the notice of assessment and before any transfer or security validly executed after the day of the mailing of the notice of assessment.

(3) The lien hereby created shall not have priority over any sale or pledge of personal property made to a bona fide purchaser or pledgee, for value, without notice of any unpaid assessment of the vendor or pledgor, unless the sale is within the provisions of any Bulk Sales Act or similar statute.

(4) The lien hereby created shall be applicable to any assessed tax, interest or penalty payable in respect of income of the 1924 taxation period and each period thereafter.

(5) The lien shall be void after the expiration of five years from the end of the taxation period in respect of which the tax, interest and penalty is payable.

(6) The Minister shall make such regulations not inconsistent with this section as he may deem necessary for carrying the provisions of this section into effect."

It seems to me that the only interest that is conserved, the only lien that remains, is the lien of the Crown because of the non-payment of arrears of taxes. That comes in only after any sale or pledge or personal property. There is no reason why the Crown should not preserve its lien, and nobody will be hurt by this proposed amendment.

Hon. Mr. McMEANS: But suppose that shortly after "twelve o'clock midnight of the day of the mailing of the notice of assessment" there is a transfer or security executed. How is a person to know that the income tax constitutes a lien?

Hon. Mr. BELCOURT: I am reading this just at the moment.

Hon. Mr. ROSS: We have all read it three or four times.

Hon. Mr. BELCOURT: If my honourable friend has read it three or four times, I am very much inclined to think there is something in what he says.

Hon. Mr. CASGRAIN: The honourable gentleman has read it three or four times and does not see any way to adjust the matter, though, as we all know, he is a good lawyer. Would he allow a surveyor to say something about it? My idea is that the Government should have no lien until it had registered it properly in a Registry Office.

Hon. Mr. ROSS: But that is not in the Bill.

Hon. Mr. CASGRAIN: No, but let us put it in. We are here to make amendments. Let us provide that, as regards third parties, they would have no lien on a person's property until the lien had been duly registered. Like anything else, in the Registry Office. I could get a certificate of search if I were buying a person's property, for instance, and I would then see that he had not paid his income tax, and that there was so much against the property. The amount would be registered. If a man did not go to the Registry Office to ascertain whether or not there was any lien, it would be his own fault.

Hon. Mr. ROSS: Then there is this point. Suppose a notice, or preferably a certificate, was for $3,000 and the vendor of a piece of land claimed that $1,000 was paid off. What machinery have you for a partial release of that land? You can always get such a release in the case of mortgages on land. If a man paid off half his mortgage he would get a partial release and it would go on record. There is no machinery for that in this Bill.

Then there is this other point. A difficulty arises with regard to the person who buys personal property. The Act as it stands now provides that on a certain day a notice shall be sent, and, counting from 12 o'clock midnight, the lien created goes in ahead of everything except what is on record.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. ROSS: But something might come in after that, and you might have trouble with regard to it. I am not clear as to who gives the notice. There is certainly lacking anything like machinery for dealing with this matter on the same basis as mortgages, for instance, are dealt with. Possibly a new section could be drafted. We might take the advice of the honourable gentleman

who has just spoken and require the lien to be registered, and provide that from the time the registration is made, instead of from 12 o'clock midnight, the lien becomes just like a mortgage.

Hon. Mr. CASGRAIN: That is it.

Hon. Mr. ROSS: And we might provide also that when a man pays a part of that lien he shall be entitled to a partial release, to the extent of the payment made; that on filing a record of that partial payment the lien shall be reduced accordingly. Something like that might be worked out. The clause is not satisfactory in its present form. In fact, it has already done a great deal of harm, because some mortgage companies, for some reason best known to themselves, have started to call in mortgages and have caused a great deal of inconvenience to people who thought that they had money on mortgage for a long term of years, provided they paid their interest. They are now called upon to pay the capital. I do not know how such a provision got in last year, and I am very sorry it was passed. I was asked shortly after going home how we came to make such a provision. I said we had not done so, but was told we had. That was the first I knew about it. I do not know whether it was passed here in the last minutes of the Session or not, but nobody that I discussed it with knew anything about it.

Hon. F. F. PARDEE: Honourable gentlemen, I want to corroborate all that the honourable gentleman opposite (Hon. W. B. Ross) has said. There is no doubt that the passing of this Act last year caused a great deal of trouble and annoyance in the case of companies who are in the loan business. It appears to them, as it appears to me, that the Government ought not to be placed in any better position than any third party without notice. If the Government has a lien upon any land, why should it not be registered, so that those who hold subsequent liens may have notice of it and be governed accordingly? The Government is just as much bound to take care of its own interest as any private individual, and if a private individual has made an advance or has a lien upon a certain piece of land and has not seen fit to register that lien, why should he be protected as against a third party without notice? For my part I cannot see why he should be, and I do not think that this is good legislation.

Let me mention just one fact. Suppose that in the city of Sarnia we are making an advance, what have we to do? We have either to telegraph or telephone to London to ascertain whether or not the person who is asking for that advance is in arrears with his taxes or otherwise. Suppose, as will often be the case, the local tax office holds up a statement of the taxes of that particular person for two, three or four days, what is likely to happen? It may be of the greatest advantage to that man to have the advance made on a particular day. As honourable gentlemen know, it is often the case that if a lien is not paid off on a particular day a bonus is exacted. He may save many dollars by paying off on that day and escaping the bonus. The negotiation of the loan is protracted if the explanation is not received, either by telephone or telegraph, and that is what most frequently happens. The borrower escapes, by reason of the fact that under this Bill the Government is not required to register its lien, as every other lien holder is. It is a first lien and the mortgagee suffers. I say that is not good legislation. In my opinion there is altogether too much parental legislation, both in this House and other legislatures. I cannot understand why the Government should step in and protect itself in this way. My contention is that, so far as the Government is concerned, it ought to look after its own interest by registering its lien, so that holders of all subsequent liens may thereby be notified. For my part, I think the honourable gentleman from Middleton has made a most excellent suggestion, and I may inform the House that I have now in my room many resolutions from law associations in various counties of Ontario, asking that this legislation be not passed, and pointing out exactly the difficulties that have been brought to our attention to-night. In my opinion this legislation ought to be referred to a Committee and be most thoroughly scrutinized, and action taken accordingly.

Hon. Mr. BEAUBIEN: I would like to know from the honourable leader of the House and from the senior member from Ottawa (Hon. Mr. Belcourt) how they contend that the privilege can be created.

Hon. Mr. BELCOURT: Will my honourable friend permit me? I was going to take the first opportunity of saying that on reflection I quite agree with my honourable friend from Middleton. So the honourable gentleman may leave me out of the question.

Hon. Mr. BEAUBIEN: Very well. Now we have one repentant. Then I will address my remarks exclusively to the honourable leader of the House.

Hon. Mr. ROSS: He will repent too.

Hon. Mr. BEAUBIEN: How is it that this Parliament cannot create a lien on property in the Province of Quebec, except of course through the Legislature of that Province? It is a most extraordinary thing. Of course, taxes due for Federal purposes are privileged, but that is by virtue of a Provincial statute. How can we create a lien? And, if we can, what is the use of the provincial autonomy?

Another thing. I understand that the suggestion now is that whenever a notice is given there should be a registration?

Hon. Mr. DANDURAND: No.

Hon. Mr. BEAUBIEN: Either you have a lien and it is registered, so that people may know of it, or else you create it in the dark. Nobody wants to have it in the dark. It seems to me that nobody wants to be in the position of not knowing, for instance, what a vendor owes. If you are going to register the lien, how will you proceed? The same law must apply to all persons in the country. Just as soon as notice is mailed of the amount due for your income tax, that amount must be registered against your property everywhere.

Hon. Mr. DANDURAND: Not by virtue of this proposed amendment.

Hon. Mr. BEAUBIEN: But I understand that you are going to proceed according to the civil law. If you are going to register the lien, you must register it according to the law of the province—Quebec, for instance; and no mortgage that requires to be registered can be registered unless the amount is stated. It must be a fixed registration, to be valid. Therefore it would be necessary in registering to specify the amount of income tax due by every man in the Province of Quebec. That would be the result of it all. It seems to me that this law is a very serious one, and is apt to create a great deal of trouble and perhaps harm, and we should proceed very cautiously with it and examine it with the greatest care.

Hon. Mr. McMEANS: I would like to ask the leader of the Government if the lien is of any use anyway. Is there any case on record in which the Government has taken any proceedings or collected any money by virtue of it? If I understand the Act, there is a penalty for the non-payment of income tax. If they have this lien also, what is the use of it? Has it ever been of any benefit?

I look upon this legislation as one of the many regulations the Government has passed to retard the trade of the country. Let me give my honourable friend an illustration. The Department of Agriculture has some absurd regulation providing that a man who manufactures bacon in one province cannot send to another. In the city of Winnipeg there is a gentleman who manufactures bacon of a very superior kind—so superior in fact, that he gets 10 or 15 cents a pound more for it than is paid for ordinary bacon. I am not allowed to go to that man and buy a pound of that bacon and eat it in the city of Ottawa. The Dominion Government purchased some of this bacon and put it on the market in the city of Chicago, to show what a superior brand of bacon we could manufacture. One of the inspectors went to the manufacturer and said: "Some of this bacon has been put on exhibit in the city of Chicago. I want to know the reason why, and if you don't tell me you will be prosecuted. He said: "Why, I never exhibited it; I sold it to the Dominion Government, and they exhibited it." The Provincial Government also bought some of the bacon and put it on exhibition. Still we have this regulation saying that this man must not ship a bit of this bacon into the province of Saskatchewan or the province of Ontario, and he tells me his business is being ruined.

Hon. Mr. ROBERTSON: Why?

Hon. Mr. McMEANS: He cannot ship the bacon outside the province of Manitoba. because of some absurd regulation saying that he must do this or that or something else, or he will be fined. The hogs are killed under Dominion inspection, and have the stamp upon them. He says he will have to leave the city and go somewhere else where he can extend his business, because he is not allowed to do business in Canada or in the province of Manitoba. These absurd regulations are multiplied to prevent people doing business, and it is about time that sort of thing was stopped.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not believe that this legislation should be condemned so peremptorily, because I believe it contains considerable merit. The question is asked: how will the public know that there is a lien? how will the public know that the income taxes have not been paid? Under the general law any loan company will have to satisfy itself, when loaning money to anyone, that here is no preceding lien. It will obtain a certificate of search; it will find from the registry office how the land stands upon which the lien is to be created. If this legislation passes as it is, it would not take long for the public to find out the situation of the person borrowing, and they would do so at

far less cost than that of a search certificate. Anyone entering into a transaction who wants to inform himself will only need to apply to the District Inspector of Taxation to find out what the situation is, and he will be given a certificate, the form of which has already been prepared, and which will read as follows:

Certificate

Re Section 7 of Chapter , of the Statutes of 1924.

This is to certify that John Jones, of the city of Toronto, is not in default in the payment of any tax, interest, or penalty assessed under the provisions of the Income War Tax Act, 1917, and amendments.

(Signed),

Inspector of Taxation.

There are Inspectors of Taxation throughout the land, and they are easily reached. They are very well known by everyone who has anything to do with lending money and satisfying themselves as to the standing of borrowers.

Hon. Mr. BEIQUE: It is like the certificate in the case of succession duties.

Hon. Mr. BEAUBIEN: If the law is passed, is my honourable friend of the opinion that there would be a lien legally in the province of Quebec?

Hon. Mr. BEIQUE: I think the case has been settled many times by the Privy Council. For instance, under the Insolvency Act it was held that provision could be made for mortgages or liens or things of that kind because they were accessory to a matter which fell within Dominion jurisdiction.

Hon. Mr. DANDURAND: All I can say is that this is a Federal Act imposing taxation for the whole country, and I do not see why the incidence of the collection of the tax should not fall under the Federal jurisdiction. However, as I intend to follow the suggestion of my honourable friend from Middleton (Hon. W. B. Ross), we may discuss all these technical points in the Committee.

My honourable friend has spoken of the Committee on Finance. He will realize that mostly legal questions are involved. A Committee composed of all the members of the legal profession in the Chamber has been appointed to deal with certain Bills concerning amendments to the Criminal law, and perhaps it would be better to refer the Bill to that Committee. At all events, I throw out the suggestion that if the Bill passes the second reading I am disposed to send it to that Committee.

Hon. W. B. ROSS: It is not entirely a question for lawyers. I would like to see business men on the Committee. That is why I suggested the Finance Committee.

Hon. Mr. BELCOURT: Let us deal with it here.

Hon. W. B. ROSS: There are business men on the Finance Committee, and some lawyers too. One conundrum after another comes up—a man may have property in nine provinces, and may be paying income tax in respect of earnings in nine provinces. Are all these taxes recorded against one piece of property in each province? It is not a simple thing.

Hon. Mr. DANDURAND: I draw the attention of the honourable gentleman to the fact that that is only one phase of the Bill. We will send the whole Bill to the Committee, and the Committee will report.

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

DIVORCE BILLS

THIRD READINGS

Bill J5, an Act for the Relief of Albert Edward Briggs.—Hon. Mr. Haydon.

Bill K5, an Act for the Relief of Louisa Elizabeth Smith.—Hon. W. B. Ross.

SECOND READING

Bill L5, an Act for the Relief of Annie Thirde.—Hon. Mr. Bennett.

CUSTOMS TARIFF BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 127, an Act to amend the Customs Tariff, 1907.

He said: Honourable gentlemen, this Bill contains a certain number of clauses, the first of which extends the effect of the British Preferential Tariff:

To any territory administered under a mandate of the League of Nations by any British country, to which British country the benefit of the British Preferential Tariff has been extended; and from and after the publication of such Order in Council in the Canada Gazette the British Preferential Tariff shall apply to goods the produce or manufacture of such territory, subject to the provisions of this Act.

"Subject to the provisions of this Act" means subject to the passage of an Order in Council to that effect.

Paragraph (f) of the Act has the effect of withdrawing that benefit whenever the Government judges it proper to do so by Order in Council.

Clause 2 of the Bill amends section 5 of the Customs Tariff, 1907, as amended by section 1 of chapter 42 of the Statutes of 1923, by adding thereto the following:

Provided that in computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom, the value for duty shall not include the amount of the Customs duty payable on tea for consumption in the United Kingdom.

The Customs Act provides that goods purchased from other countries—foreign to that country—are valued on the duty paid value, even if purchased in bond, for computing the ad valorem duty. This Bill proposes that tea which pays a specific duty when imported from Great Britain, shall be valued without the Customs duty added. In many cases when the British duty is added to the value of tea, it brings the computed ad valorem rate below 15 per cent, and therefore the tea would not be entitled to the discount of 10 per cent on shipments into a sea or river port of Canada under the Act of 1923.

Section 3 of the Bill declares that certain amendments are made to chapter 26 of the Statutes of 1914 by repealing a certain number of the articles in schedule A, and decreeing other rates of duty of Customs set opposite each of said items.

These changes mainly comprise reductions on implements of production and material used in the manufacture of agricultural implements; also on equipment for blast furnaces and steel plants, including fire bricks, which get a drawback under the drawback clause contained in Schedule B of the Customs Tariff. The underlying policy is aid to agriculture, mines and forests. The fisheries are taken care of by the Sales Tax, which is not before us. It is recognized that agriculture, which is the largest industry in Canada, was the first to suffer from the readjustment of prices after the war. Prices of agricultural products everywhere reverted to the pre-war levels, while the people engaged in agriculture had to continue purchasing at nearly war-time prices.

The estimated reductions under this Bill are about $1,000,000. The changes themselves are so arranged as to cause the least disturbance to trade, because, as I have said, agriculture gets its implements at a cheaper rate, the manufacturers of agricultural implements obtain their raw material more cheaply, and in some cases free of duty, and the steel manufacturers, in regard to equipment for their plant and for blast furnaces, obtain certain reductions and drawbacks which help them in carrying on their work. On the whole I believe that the effect of this measure will be to help agriculture, the basic industry of Canada, without in any way impairing the work of the manufacturers in this country. With these few remarks I beg leave to move the second reading of the Bill.

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

Hon. Mr. DANDURAND: As this is a Bill which can hardly be amended by this House, I would suggest that we take the Committee stage now, if there is no objection.

Hon. Mr. BEAUBIEN: Then, perhaps we might ask for some explanation as to the principle involved in the first part of the Bill. Do we understand that this gives the Government power to extend the British Preferential Tariff to all countries administered by Great Britain under a mandate from the League of Nations?

Hon. Mr. DANDURAND: I will read the clause. This is in regard to "additional extension of British Preferential Tariff." It provides that the Governor in Council may—

(e) extend the benefit of the British Preferential Tariff to any territory administered under a mandate of the League of Nations by any British country, to which British country the benefit of the British Preferential Tariff has been extended; and from and after the publication of this Order in Council in the Canada Gazette the British Preferential Tariff shall apply to goods the produce of or manufacture of such territory, subject to the provisions of this Act.

The legislation that is before us is introduced at the special request of the Prime Minister of New Zealand. Honourable gentlemen are perhaps aware of the fact that New Zealand has a mandate for the administration of the Island of Samoa. New Zealand gives Canada a preference which is of great advantage to our trade. Our exports to New Zealand in the fiscal year ending the 31st of March last amounted to $12,735,620. As against those exports, our imports from New Zealand were $2,179,727. The Island of Samoa, which is not a very large island and has a population of only 35,000, produces cocoa and cocoanuts, and it is expected that under the preference that Island will be enabled to do business with Canada. The balance of trade is so largely in our favour that the Government felt it could well afford to comply with the wishes of New Zealand.

Hon. Mr. BEAUBIEN: But that is quite evidently a roundabout way. The result will be to extend, and perhaps considerably, the British Preference. It may extend it to certain European countries whose products might seriously affect our manufactures. This seems to be a very serious departure.

Hon. Mr. DANDURAND: It will not go beyond the British countries that have a mandate such as New Zealand has over the Island of Samoa.

Hon. Mr. BEAUBIEN: Has my honourable friend fresh in mind the countries in Europe that are at present administered by Great Britain?

Right Hon. Sir GEORGE E. FOSTER: The mandated countries?

Hon. Mr. BEAUBIEN: Yes.

Right Hon. Sir GEORGE E. FOSTER: The mandated countries which are administered by Great Britain will be some portions of Africa, and Mesopotamia, and Palestine. It is a small portion of the Island of Samoa which is under mandate by New Zealand as a part of the British Empire. But giving the preference to New Zealand's mandate in Samoa would not allow anything to come in from a European country.

Hon. Mr. BEAUBIEN: No, no, but the law gives the Government power to extend that preference to all the countries that are under British protection.

Right Hon. Sir GEORGE E. FOSTER: To extend it to the mandated countries; but no European countries are mandated to the British Government.

Hon. Mr. ROBERTSON: May I suggest to my honourable friend, in view of the fact that there appears to be a little difference of opinion, or some doubt as to the desirability of passing this Bill just as it is, that we ought not to go into Committee to-night.

Hon. Mr. DANDURAND: Very well. Then I will move for the Committee stage to-morrow.

The motion of Hon. Mr. Dandurand was agreed to.

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

THE SENATE

Wednesday, June 18, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READING

Bill T5, an Act for the relief of Janet Ferguson.—Hon. G. V. White.

Bill U5, an Act for the relief of Charles Whittaker.—Hon. G. V. White.

Bill V5, an Act for the relief of Arthur Robert Ascough.—Hon. Mr. Bradbury.

Bill W5, an Act for the relief of Albert Joseph Phillips.—Hon. W. B. Ross.

Bill X5, an Act for the relief of Patience Oldfield.—Hon. Mr. Haydon.

NATIONAL COAL RESERVE IN ALBERTA

On the Notice of Inquiry:

By Hon. Mr. Pope:

That he will call the attention of the Government to the extraordinary rumors and information, of apparently undoubted authorities, re the National Coal Reserve in Alberta, commonly known as the Hoppy Mines, covered by the Isenburgs lease, and extended area, by the action of the Government, and will inquire from the Government for any and all particulars affecting any locations within the area, by whom, and when made, whether the parties were reinstated by paying up their arrears and how long the arrears had been extended, if any new locations have been made, and why, when, and by whom, if there is any correspondence between the Government of Canada and that of Washington, U.S.A., if so, the nature of it, insofar as it is connected with the Isenburgs lease, located within the National Coal Reserve of Alberta?

Hon. Mr. DANDURAND: I have from one Department a partial answer to the inquiry of the honourable gentleman, and am awaiting an answer from another Department. In the meantime I would ask the honourable gentleman to postpone his inquiry, and I shall confer with him as to the document that I have in hand, to see if it satisfactorily covers the questions that he asks.

Hon. Mr. POPE: Do I understand that the honourable gentleman's suggestion is that this be deferred until to-morrow??

Hon. Mr. DANDURAND: We might defer it till to-morrow.

Hon. Mr. POPE: Very well.

The notice stands.

CANADIAN NATIONAL RAILWAYS ON VANCOUVER ISLAND

MOTION FOR RETURN

Hon. Mr. ROBERTSON (for Right Hon. Sir George E. Foster) moved:

That an Order of the Senate do issue for a Return showing:

1. The total receipts and expenditures of the Canadian National Railways on Vancouver Island for each year of its operation including 1923-24, under the two heads of passengers and freights.

2. The mileage now under operation and the points between which the roads are operated and the frequency of the service. The total capital expenditure to date upon the system now being operated, and the total expended on the portion wholly or partly graded but not tracked and operated.

The motion was agreed to.

JOINT COMMITTEE ON LEGISLATION

MOTION WITHDRAWN

On the Notice of Motion:

By Hon. Mr. David:

That a Special Committee composed of the Right Honourable Sir George Foster, Sir James Lougheed, Honourable Messieurs Dandurand, Beique, Blain, Daniel, Belcourt, and the mover, be appointed to confer and act

with a like Committee of the House of Commons to consider and report upon the best means to be taken in order to increase the efficiency of the work of both Houses and to reduce the cost of the holding of sessions of Parliament, and that a Message be sent to the House of Commons accordingly.

Hon. Mr. DAVID: In view of the declaration made by the honourable the Speaker of the Senate and by the honourable leader of this House, and with the permission of honourable gentlemen, I wish to withdraw my motion, which I will renew in another form later on. I hope that the Government will before next Session do what is required to amend the procedure, particularly of the House of Commons, in order to shorten the speeches and cut down the expenditures.

The motion was withdrawn.

CANADIAN NATIONAL RAILWAYS

PROCEDURE ON BRANCH LINE BILLS

On the Orders of the Day:

Hon. Mr. GRIESBACH: I should like to draw the attention of the Government to a matter of some importance. The country, particularly the western country, is very much interested in the fate of the Railway Bills now before the Senate Committee, and I fancy that the National Railway Company is anxious to know, as the people in the particular districts in the West where branch lines are proposed certainly are anxious to know, what is going to happen. They would like to make their plans for the future upon the basis of definite information as to whether or not these lines are going to be built. I understand that in the Committee of this House considering the matter some of these Bills have been approved, tentatively at all events, if not actually. I would like to urge that they be brought before this House and dealt with without further delay.

Hon. Mr. DANDURAND: It had not occurred to me that we were advancing in the season when the construction of some of these railway branches might be advanced. Under these conditions, I will bring the matter to the attention of the Committee when it meets, and probably a certain number of the Bills that have been dealt with may in the judgment of the Committee be reported to this Chamber.

DIVORCE BILL

THIRD READING

Bill L5, an Act for the Relief of Annie Thirde.—Hon. Mr. Bennett.

INDUSTRIAL DISPUTES BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. Mr. Fisher in the Chair.

On section 1—statutory declaration to accompany application for appointment of Board:

Hon. Mr. DANDURAND: I move the adoption of this clause, which passed without any criticism last Session. I suppose that no objection has arisen in the mind of any honourable member this Session. The new words in the section are underlined. It is to provide for cases in which employees and employers have been unable to come together because one of the parties has refused to enter into negotiations. This is a slight amendment which will help in the administration of the Act.

Hon. Mr. BEAUBIEN: Section 1 of the Bill amends section 15 of the Act. I desire to offer now an amendment to section 2 of the Act, which, if it is taken into consideration, must be taken into consideration now.

This Bill has been sent to the Railway Committee for the purpose of enabling all the interested parties to be heard. We have had very conflicting views expressed. One thing struck me, namely, that the Act in its application went further than was intended by those who framed it. We had the proprietors of mines before us who stated their case very clearly. There are a great many people now engaged in mining in this country in a very modest way, from the prospector up to the man who employs perhaps fifty or one hundred men. The purpose of this Act, if I understand it rightly, was to affect public utility corporations. It was quite evident when the representatives of the asbestos mine owners were before us that it would be absolutely unjust to amend this law as the Bill proposes, and make it apply to them. They told us that if they had to maintain for 30, or 60, or perhaps 90 days the same wages which they were paying their men, it would mean ruin to them, and that they might lose their properties.

After that we heard representatives of the Unions, and I understood from them that they never thought the Bill would apply to these people. The application of the Bill to small mine owners did not seem to be of any interest to them, and in my judgment it should not apply. Mining in this country is

of paramount importance. We have a very large barren area which separates the East from the West. That has been a great weakness of Canada, because up to the present time nothing could be grown in that area, no settlers could be induced to go and establish themselves there. But this area may turn out to be the richest and most profitable part of the country, but that can only be so if people have the courage and the initiative and the freedom to go out to seek mines and to proceed in a modest way to develop them. If you are going to tie these people down by legislation and tell the poor miner who has just started and has only his prospects that if he is in trouble with his men he cannot close down but has to continue to employ his men at the same wage for 30 or 60 or perhaps 90 days, he will certainly be discouraged. Everybody seems to be in accord with the opinion that the Bill was not intended to apply to small mine owners at all. As far as I understand it, it was intended for public utility corporations.

I move now that paragraph c of section 2 be amended. The purpose of the amendment is simply to restrict the operations of the law to coal mines. The law now reads as follows:

"Employer" means any person, company or corporation employing ten or more persons and owning or operating any mining property.

My amendment is simply to change the last three words and to say:

—owning or operating any coal mining property.

Hon. L. C. WEBSTER: I also have had representations made to me on behalf of the asbestos mining corporations. As you are aware, the greater portion of the asbestos that is used in the world is mined and exported from the province of Quebec. The companies operating these asbestos mines in that province are adverse to the proposed legislation. They have sent me a communication which states:

That should conditions necessitate a change of any kind nothing can be done in less than about sixty days and whether the employer can afford it or not operations must be continued or become liable to a penalty of from one hundred to one thousand dollars per day etc., and the application of this penalty would should labor troubles arise cause the owners to sustain very heavy losses and in the case of small operators probably loss of title to their property and while it may be said that the penalty applies to either party using these conditions for the purpose of delaying change there is no way in which the penalty can be made applicable to employees with regard to a change affecting hours this would be impossible to agree to as sudden orders to stop shipments come at any moment necessitating curtailment of hours at time at the mines and it would be impossible owing to limited storage space to continue operations as suggested in the Bill in case of depression in prices or shipping instructions being deferred when frequently occurs it would become imperative to close down or reduce wages there would be no other alternative as the majority of mines are not paying propositions except in good times and conditions that would force the companies to keep going would put many out of business and would only react on labour understand this Bill as originally introduced was intended only to apply to public utilities and asbestos is certainly not a public utility.

This is the feeling of those engaged in this business, and I feel that their request should be very carefully considered.

Hon. Mr. ROBERTSON: Could the honourable gentleman from Stadacona inform the House as to whether or not a Board has ever been established in the asbestos industry without the consent of or against the will of the employer?

Hon. Mr. WEBSTER: I am not familiar with the details.

Hon. Mr. ROBERTSON: It might be of interest to honourable gentlemen to refer to what has been the practice in the past. So far as my knowledge of the administration of the Department of Labour goes, it has never been held that metalliferous mining—the asbestos industry, as an example—was to be regarded as a public utility within the meaning of this Act. The Act does permit and provide that wherever the employers and the workmen in any industry agree to adjust their differences by having them referred to and investigated by a Board, the Minister may appoint the Board, and it can operate; but I am unaware of any case in which a Board has ever been forced upon a mining industry outside of coal mining, which I think is admitted to be a public utility and an industry in which the public are directly interested. If it is true—and I hold that it is true—that the law in force for the past seventeen years has never worked any hardship upon the mines that are now mentioned, the amendment to the Act in this respect is quite unnecessary. The honourable member from Stadacona (Hon. Mr. Webster) has, I think inadvertently, overdrawn the picture. He has indicated that it would be impossible for the employer to work his mine part-time if the amendment now before the House were to pass. That is an entirely erroneous impression. It always has been and always will be the right of the employer to operate or not to operate his plant, his mine, his railroad; but if he does operate, then this law simply provides that agreement as to the number of hours constituting a day's work, or the rate of wages to be paid, shall not be changed unless the provisions of the Act are complied with. It does not in any way prevent

the employer from operating his property or not operating it. The principle may be applied to any industry. Take railroading for example. It has its busy season and its slack season. When there are no cars to move, trains do not run. Men are called when there is work for them to do, and they are not called and are not paid when there is no work. If they are called they are to be paid a certain rate of wages and work under certain conditions. The provision is quite elastic and is perfectly fair to both parties. So it is not quite a proper presentation of the case to say that if in the asbestos industry, for example, the operators felt that they should shut down their mines for a week, they could not do so under the Act as it is now or as it is proposed to amend it. There is no restriction upon the employers in that connection.

In a general way, I would make one observation to which I hope honourable members will give heed, and it is this. I think we all appreciate that at this present moment there is a cloud hanging over the country. Uncertainty prevails as to whether or not the public service is going to be carried on without interruption. That situation indicates a spirit of unrest which is abroad in the country, and under present conditions, and in view of the situation, I do not think it is necessary for this Parliament to undertake to interfere with a law that has worked satisfactorily and has caused no hardship to anybody during the seventeen years of its existence, and in which, so far as I know, no employers affected by it have sought a change up to this moment. I respectfully submit to the House that it is quite unnecessary, and, indeed would have the effect of disturbing the mind of every interested workman in this country—and there are approximately a million of them in Canada—to make a change without just cause, and without giving due notice and submitting and fully discussing the reasons for the proposed change.

I submit also that, inasmuch as this Bill was referred to a Committee last week and the interested parties were given a hearing there, the amendment intended to be made to the Bill should have been mentioned and submitted at that time, so that the representatives of both sides of the question might have ample opportunity either to support the proposed amendment or give their reasons in objection thereto. I know that one gentleman representing a certain class of employers, the asbestos mines, did raise this question as a point of information, and the information was given him that never in the operation of the Act had it been interpreted, so far as was known, to apply adversely to them, and inasmuch as they had never suffered under it there was no necessity for a change. Furthermore I will state this, which I stated to the gentleman at the time, that in my humble opinion had it been compulsory for that industry to respect and comply with the requirements of the statute—in other words, had it provided for compulsory investigation—the difficulty that occurred in the asbestos industry a year or so ago would probably not have occurred, and the non-application of the Act to that industry was probably responsible for much of the difficulty that arose at the time. I submit, honourable gentlemen, that we ought not at present to disturb sections which have not been brought into question before, which have worked satisfactorily for seventeen years, and under which nobody has suffered.

Hon. Mr. DANDURAND: I would ask the leave of the Senate for the Deputy Minister of Labour to come to the floor of the House.

Hon. Mr. GORDON: I am fully in accord with the amendment of the honourable member from Montarville (Hon. Mr. Beaubien), and I realize its importance, not simply because I know it is so necessary for the asbestos mines, but because we are now at the commencement of perhaps the greatest silver and gold mining development that America has ever seen, and I am satisfied that the Bill as intended would be adverse to that mining industry.

In regard to what the last speaker has said about this Act having been so beneficial in the past and the mining interests not having suffered by reason of it, I think that is true; but, in view of the great developments which are now taking place, and the still greater which are to take place, they can picture men of small means undertaking to develop properties who would be very badly tied up in the event of this section being passed. It would at once place them in the position of having, in the event of trouble, to go out of business altogether. I submit that at this particular time nothing should be done to interfere with those great developments. Most people in Canada fail to realize what we have in the mining field at the present time. You will understand it when I tell you that gold has been proven to a depth of a mile in the ground, and that gold deposits extend over an area of several hundred miles in Northern Ontario and Northern Quebec. Anything that is done to interfere in the slightest degree with that development is not in the interest of the country, and I consider that the amendment which is brought in by the honourable

member from Montarville is opportune and most necessary. I think that only one mining industry should be included in the operations of the Act, and that is coal mining, because that is an altogether different proposition.

Hon. Mr. BEAUBIEN: Honourable gentlemen, I did not think that when this Bill was taken from the jurisdiction of the Committee of the Whole House anybody lost any of his rights. I understood that the purpose was purely and simply to hear the interested parties, and that the Bill would revert to the Committee of the Whole where any honourable member could propose an amendment. If that is the case, the Bill being now for the first time in Committee of the Whole, it seems to me that an amendment is not out of order. That is my first point.

My second point is this. The honourable gentleman (Hon. Mr. Robertson) blows hot and cold at the same time, but he does it very skilfully. I admire his plausible method of procedure. He comes before us and says: "Now honourable gentlemen, do not disturb this legislation: it has been working like a charm for years past." He says that on one hand, while on the other he would insert an amendment in the Act. "Do not disturb this Act: it is fine; but let me disturb it." Do you see? He comes before us and says: "Nobody is complaining; accept the amendment; the Act in its application has been working perfectly well; therefore, my colleagues, do not lay a sacrilegious hand on it: but allow me to do it." That second part he does not absolutely insist on, but he does it just the same. Honourable gentlemen, there would be no reason for a discussion if there were no amendment to the Act. It is quite evident that the Act has worked quite well without amendment. So that is no plea for the amendment. Indeed, it is a plea against the proposed change. There is an old French saying that applies in this case: "Le mieux est l'ennemi du bien"—the better is the great enemy of the good. Let us be convinced by the words of the honourable member from Welland that the Act has been working well, and let us not touch it—it is so rare that human legislation works to the satisfaction of everybody. Therefore we might throw out the amendment. But, honourable gentlemen, I do not want to go even that length—I will be quite frank in stating why. For my part, I think that this Act can work only if it inspires confidence; otherwise it is worth nothing at all, for the very good reason that there is no sanction to the law.

The only purpose of the Act is to bring disputants together. If you do not bring them together in a proper atmosphere, what is the use of bringing them together at all? So I am prepared to give my honourable friend from Welland everything that can possibly be given him. Back of him are, I know, the big labour unions, strong—so strong that they can stand before this Parliament as they did before our Committee yesterday, and say: "We do not want your protection: we are strong enough: we are not here to protect ourselves, but have come as representatives of our great organization to protect the public." That was the situation.

Really, I heard not without surprise these men reading us a lesson. They said: "We very much suspect you people of listening to the voice of the employer, and we come here to protect the public." So be it, honourable gentlemen, as far as I am concerned. I think we desire peace. We want to do all we can to inspire confidence on both sides. All that we can give to the labour unions let us give it to them. On the other hand, let us hope that when there is in our opinion any danger of frightening away the confidence of the other party—for it takes two parties to make a bargain—let them in the same spirit listen to what we have to say.

I do not want to have the amendment eliminated, but I submit that you should restrict it to coal mining, to which, I understand, it was intended exclusively to apply. Then you would be protecting many small people, some of whom are much smaller than are certain employees, who earn $3,000, $4,000, $5,000, and even $6,000 a year. Many of the poor miners who go into the wilds do not get as many hundreds of dollars as these people get thousands. Let us not forget that the miners are prospecting for Canada as well as for themselves. Let us not deter them or apply to them an onerous law that was intended to apply only to large bodies of employers like coal-mining operators.

Hon. Mr. ROBERTSON: Honourable gentlemen, since my honourable friend has honoured me with personal mention, I want to say that I take off my hat to him, when he practices the art in which he credits me with having some skill. The difference between the amendment just moved, to which I have taken respectful objection, for reasons stated, and now included in the Bill the amendments which were already before the House, and to which I have given my support, is that the desire for the changes proposed by the Bill arises from grievances that were bound to exist because the present Act

was not operating fairly and equitably. The amendment now proposed, to which I have taken respectful objection, is one which arises out of no abuse or injustice which the employers whom it is sought to protect have ever complained of or suffered. Therefore I submit that it is not exactly a fair representation to say that in supporting one amendment and opposing another I am inconsistent.

The honourable member has made reference also to an implication—not a statement, but an implication—that came before the Railway Committee when this Bill was under consideration there, in a presentation made by one gentleman who appeared before the Committee. That implication, which perhaps was misunderstood, indicated that there was a feeling on the part of those representing labour that at least some gentlemen who had been either presenting or supporting certain amendments to the Act were doing so at the instigation of employers. I want to make that clear, because I know what was behind it, and what was the thought in the mind of the gentleman who made the statement. He had in mind the words of an honourable member of this House, who introduced at a previous Session this same amendment, which has to do with the appointment of a Chairman. I will read the honourable gentleman's words so that all may draw their own conclusions as to whether or not the thought in the man's mind when he was speaking before the Committee the other day was justified. I know that he had in mind no particular member except the honourable gentleman whose utterance I will read. When this Bill was under discussion in the Senate a year ago an amendment was proposed by the honourable gentleman, who in submitting it said:

> By the provision of subsection 3 of section 8 of the Act of 1907, where the employer and the employee do not agree upon a third arbitrator, the appointment is in the hands of the Minister of Labour. Now, it has been represented to me by very important employers that this is not a very satisfactory condition.

It was upon the strength of those words that this gentleman indicated to the Committee the other day that Labour had a right to feel that some of the gentlemen opposing the Bill now before the House were doing so, not because of their own judgment, but because of representations which had been made to them. I say there is no reason why objection should be taken to that statement. It is a statement of fact. Probably other gentlemen in this House, and I myself, have taken the view that we should do certain things because of representations made to us, and because we believed that it was the right course to follow. I think we ought to refrain from imputing motives to any honourable gentlemen in supporting or opposing legislation here.

I have no further comment to make upon the proposed amendments except to say that no abuse or unfair treatment has occurred under the Act, and that the Act has operated without injustice to any in that regard for the past seven years, and that I hold and sincerely believe that it is not desirable to disturb this legislation unnecessarily at the present time in view of conditions now existing; and I respectfully submit that the House ought to await some concrete evidence of unfairness to employers or of the necessity for an amendment to that section of the Act before tampering with it.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, it seems to me that this is a perennial Bill to amend this Act. Everyone appears to think that it is someone's duty to bring in a Bill each Session—I think one has been brought up ever since I have been here—for some new tinkering with this law. So far as labour legislation the world over is concerned, I have never heard so much praise bestowed on any other legislation as I have on this Industrial Disputes Investigation Act; but even if we had Utopian legislation, there would always be someone who would want to amend it. They say dozens of legislatures want to amend the Lord's prayer, but they dare not do it because they do not think public opinion has quite arrived at that point yet. This Act, we have been told from both sides of the House, has been reasonably satisfactory to the public—reasonably satisfactory to labour and reasonably satisfactory to the employer. I have read these sections, and, although I think I have some notion of law, I cannot remember from one day to another what they really mean. I think that no amendment of any kind should be made to this statute by Parliament, unless it is established before us that there is some concrete abuse to be corrected, and that we should not pass any section of this Bill, as we shall only be disturbing the law as it stood before the Bill was introduced.

Hon. Mr. BELCOURT: May I ask the honourable gentleman from Welland if it has been sought to apply the Act to mining companies other than coal-mining companies? If so, with what result? I should like to know if objection was taken by any companies against which the Act was sought to be applied.

Hon. Mr. DANDURAND: I think I can answer my honourable friend. I have the figures. The Act had hardly been passed in

1907 when three metal mines—employers or employees—in order to settle their differences, applied for boards of arbitration. The Deputy Minister of Labour has rapidly gone through the official statistics, and we find that the owners or the employees of seven metal mines came to Ottawa to arbitrate their differences. From 1907 to 1923 there were 24 cases arising out of troubles in the metal mines. Of course, I am excluding the coal mines. I think this is quite conclusive as to the utility of the Act to meet the demands of labour for arbitral justice. In these twenty-four cases, twenty-three Boards were granted at the request of labour, and one at the request of the employers.

Hon. Mr. BELCOURT: Would my honourable friend tell us how many of these metal companies have objected to coming under the provisions of the Act?

Hon. Mr. ROBERTSON: May we not put the question in another way? Is it not true that in all those cases the Boards were established by reason of both parties consenting to the dispute being investigated in that manner, and that in no case has a Board of Conciliation been established when either party was opposed to it, except in the case of a public utility?

Hon. Mr. GORDON: I may venture to say that in the cases mentioned by the leader of the House only large corporations which had probably been in operation for some time were involved. If this amendment is passed it will apply to cases in which ten men are employed.

Hon. Mr. DANDURAND: The law is not altered on that score.

Hon. Mr. GORDON: I think it is.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. GORDON: It applies to ten men or over?

Hon. Mr. ROBERTSON: It always did.

Hon. Mr. GORDON: I venture to repeat what I said, namely, that all these mining companies that referred their disputes to Conciliation Boards were large operating companies. In many cases in which there are at least ten men, who are really only prospectors starting to operate, they may be classed as miners. That is what I am afraid of.

Hon. Mr. BELCOURT: Conditions with regard to mining have not changed, and they are not going to change. The operation of these mines has been carried on by companies with large sums of money behind them, and from the knowledge I have, I believe that that is the case in the county of which my honourable friend speaks. The difficulty has been that the work has been confined practically to prospecting. During all these years the Act has worked very properly in those regions.

Hon. Mr. GORDON: I am not presuming to know more about the matter than my honourable friend, but I do know that at the present time there are in Northern Ontario a number of men, in groups of not more than ten each, who are practically only prospecting, and who, until they have something to show, cannot get capital to carry on.

Hon. Mr. BELCOURT: That confirms what I say.

Hon. Mr. GORDON: It may to a certain extent, but picture this. Here is a man out with ten other men engaged in sinking a shaft for the purpose of finding out whether he has a mine or not. He has only a certain limited amount of money available. Trouble arises between that man and his men, and under this amendment he has to continue to pay them wages at the existing rate until the time of settlement, which may be 30, 60, or 90 days. He has not got the money to pay them.

Hon. Mr. BELCOURT: He should not start sinking the shaft then.

Hon. Mr. GORDON: That may be my honourable friend's opinion, but I know of men in that locality who should not have done things which looked to be stupid, but who went on and won out. That is an aspect of the case that my honourable friend does not know, and he might consider it stupid for these men to come along and spend a little money. In the case of one of the best mines we have in Northern Ontario the advice given to the man who was trying to find out whether he had something or not was to quit and spend no more money. He went on against that advice, and a very short time afterwards he discovered a marvellously rich mine.

Hon. Mr. BELCOURT: That has happened many times.

Hon. Mr. GORDON: Certain contingencies may arise by which you will deprive that man of the opportunity of accomplishing what he has set out to do, and I think that is something that should not be done.

Hon. Mr. DAVID: If the amendment does no harm, and may do a great deal of good, as has been established, why oppose it?

Hon. Mr. DANDURAND: Is my honourable friend referring to the amendment limiting the application of the provision to coal mines?

Hon. Mr. DAVID: Yes.

Hon. Mr. DANDURAND: My answer is that when the Act has done so much good in that direction, why should it be amended? Here I state twenty-four cases of metal miners who have gone before Boards, thus preventing in perhaps nine-tenths of the cases a strike and stoppage of work. Why then intervene? Cases are mentioned in which the Act possibly would not operate. If the Act would not operate in some cases, the Minister of Labour would find out that there was no reason for granting a Board, and no Board would be granted. We have had this Act for seventeen years, and no hardship has been caused to anyone. No one can point to a case like the one imagined by my honourable friend, so why amend the Act to restrict its operation when on the whole it has worked satisfactorily?

Hon. Mr. GORDON: Simply for the reason I gave a while ago, that whereas heretofore hundreds of men have been doing this work, from now on there will be thousands doing it, and the more people you get engaged in any work the more chance there is of trouble

Hon. Mr. DANDURAND: Does my honourable friend really believe that in the West or the central part of Canada, where a small group of ten or fifteen men accompany a prospector and decide to live together and work in the wild country, a strike is likely to be declared at a certain moment? Is there any possibility of such a thing happening and those people asking for a Board of Conciliation? Is it not in the well-settled industries, where hundreds of men are employed, that such a thing takes place? We have never heard of a small institution employing a few men appealing to the Federal authorities for a settlement of their difficulties.

Hon. W. B. ROSS: This amendment would perhaps be better understood and appreciated if it stood over until after we deal with section 2. The amendment is a very different thing if you deal with it in the light of section 2. As it is now, these small mines, if they find their market has gone to pieces—and that is what I am told happened the asbestos mines—can close down and say to their men: 'We will work at reduced wages, and when the market is up again, we will go on at the old wages." But if you pass section 2 that will not be possible, because no change in wages could be made until after the men asked for a Board and an award was made. Two or three things might happen in the meantime: the market might be up and down two or three times during that period.

I see an objection to the law as it will stand if you amend it under section 2 and make it applicable to these small mines, and particularly to the men who are trying to get mines. These men who go off into the woods have to live from hand to mouth and get along in the best way they can. To say that they cannot make any change at all if they get into a corner, without having a Board and perhaps spending 60 or 90 days in getting a dispute settled, simply means that they cannot do business. I think it would be well to let this amendment rest until we look into section 2.

Hon. Mr. BEAUBIEN: I have no objection to suspending my amendment. I think the honourable gentleman is right. If you pass section 2, the Bill becomes objectionable, and the people want relief. If you do not pass it then the law is not objectionable, and the people may not want relief.

May I ask the leader of the House why he so constantly says that the law is perfect, that everybody commends it, that there are no complaints? We are not talking of the law as it exists: we are talking of the amendment. We are ready to subscribe to what you say. The law is all right: leave it alone.

Hon. Mr. DANDURAND: No, no. I cannot say that when I am before the House with amendments.

Hon. Mr. BEAUBIEN: Certainly not.

Hon. Mr. DANDURAND: I say the law is all right. If my honourable friend convinces me that it is wrong on the point which he attacks, I am with him. When it comes to my amendment, I am ready to defend it on its merits.

Hon. Mr. BELCOURT: Your amendment is good and his is bad.

Hon. Mr. BEAUBIEN: Surely my honourable friend knows that we are discussing the possible danger of an amendment. The evidence of that is that the law has been in force for nearly twenty years during which time the mining people have not complained. This proposal has not become law; it is only the menace of a law; and they come and complain in advance. Surely there is a reason. So let us drop the question of the Act. The

Act is not before us to be judged at all, and let not my honourable friend get behind the Act, which we do not want to attack. As soon as we attack the amendment, its advocates run for cover behind the Act, and hold it up and say: "Behold, this Act has been perfect." Very well. We agree to that.

Hon. Mr. CASGRAIN: Let it alone.

Hon. Mr. BEAUBIEN: Can you say that of the amendment. Leave the Act out of the question. It is all right. It is not on trial. It is the amendments that are on trial. If we eliminate the question of the Act, all that you have said cannot to my mind be accepted as having much weight—with all respect; because all the authority that you have cited refers to the Act, and everybody admits it. But what authority have you for the amendment? That is what I want to know.

Hon. Mr. DANDURAND: My honourable friend must not forget that there is on the Statute Book an Act which he says is satisfactory.

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. DANDURAND: If he makes that assertion, which I accept at 100 per cent, what does it mean? It means that my honourable friend subscribes to the principle which is contained in clause 57, which says:

Employers and employees shall give at least thirty days' notice of an intended change affecting the conditions of employment with respect to wages or hours, and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a Board and a copy of its report has been delivered through the Registrar to both the parties affected, neither of those parties shall alter the conditions of employment with respect to wages or hours.

My honourable friend says the Act is all right, and that is what it provides. He subscribes to that. We say, if that is all right, then the law should be obeyed. My honourable friend has stated that it could not be enforced; that he could disobey it; that manufacturers could wriggle out of it. We are here to see to it that the employers obey the law. We have passed an Act which is obligatory upon the workman, who at the time of the passage of the Act was not so strong as he is to-day. We said to him, "You shall obey that law," and we put in a penalty clause. The wage-earner has had to obey that law. He was amenable to it. Now the manufacturer, or the owner of a public utility, is told that he must obey the law; that he shall accept a certain principle; that he shall not do certain things. We come now before Parliament and say that the law which was passed by both branches of the Legislature and signed by His Majesty's representative shall be respected in spirit and in letter. My honourable friend was one of the first to say, "We have no objection to the Act, because there are no teeth in it." He will remember his words. We are now asking Parliament to put in the teeth. Parliament did so for one of the parties, the wage-earner.

Hon. Mr. BEIQUE: What teeth?

Hon. Mr. DANDURAND: The sanction.

Hon. Mr. BEIQUE: What sanction?

Hon. Mr. DANDURAND: The sanction was in clause 59.

Hon. Mr. BEIQUE: Where does the honourable gentleman find the sanction in clause 59, as against the wage-earners?

Hon. Mr. DANDURAND: I will show where the sanction against the wage-earner is, by quoting the clause:

Any employee who goes on strike contrary to the provisions of this Act shall be liable to a fine of not less than ten dollars nor more than fifty dollars, for each day or part of a day that such employee is on strike.

If clause 58, which concerns the employers, had used the same language, we should not be proposing the present amendment. Clause 58 does not provide that any employer who changes the wages or hours contrary to the provisions of this Act shall be liable to a fine. Although section 57 had imposed a prohibition on both parties against altering the conditions, sections 58 only said:

Any employer declaring or causing a lockout contrary to the provisions of this Act shall be liable to a fine of not less than one hundred dollars, nor more than one thousand dollars for each day or part of a day that such lockout exists.

Therefore, notwithstanding the prohibition in section 57, against altering the conditions of employment with respect to wages or hours pending an investigation and a report, there is no sanction to be found in the penalty clause in the event of that prohibition being disobeyed. Now we say that if the principle contained in clause 57 is just, namely, that neither employer nor employees shall alter conditions as to wages or hours pending the investigation and report, then the employer as well as the employee should obey. I am surprised to hear honourable members of this Chamber contending: "We have imposed that prohibition upon employer and employee alike, but we will allow the employer to defy it, because there is no penalty to reach him." I cannot understand that position at all.

Hon. Mr. CASGRAIN: Would it not make everybody happy to take out that sanction against the employee? It is no good anyway. You cannot collect the fine.

Hon. W. B. ROSS: It is not worth a cent.

Hon. Mr. CASGRAIN: It is worth nothing. So why not take it out for both parties? Then they will be even.

Hon. Mr. BEIQUE: Honourable gentlemen, I agree with the honourable member from Welland that this Act has worked satisfactorily, and I think it would be a misfortune to amend it in any shape, except possibly, as has just been suggested, by removing that penalty clause against the employee. The Act is not compulsory in character. It has not been applied as obligatory upon the parties. Its intention is to establish a Board for the purpose of laying the actual facts of a dispute before the public, in order that a sane public opinion may exert a proper influence on both employer and employee. The report of the Board, if a Board is established, has no other effect. The Board may make any report, but employer or employee may disregard it.

Hon. Mr. CASGRAIN: It gives good advice.

Hon. Mr. BEIQUE: That was the object of the law, and it has been working in that way. Now you want to introduce a penalty clause. So far as I am concerned—and this is a very strong reason with me—I am satisfied that it is not within the jurisdiction of this Parliament to introduce a penalty clause into that Act; and it was not within the jurisdiction of Parliament to introduce the clause to which the honourable leader of the Government has referred.

Hon. Mr. MURPHY: It is no good anyhow.

Hon. Mr. BEIQUE: The constitution is clear on that point. Civil rights are within the jurisdiction of the provinces only. Now, is not the right of contract one of the main civil rights? I contract with my employee and agree to pay him so many dollars a month. Am I to be prevented by the Parliament of Canada from changing that contract or, if I change it, shall I be penalized for doing so? I am perfectly satisfied that this is altogether outside the jurisdiction of the Federal Parliament.

Where is the propriety or desirability of raising a question of this kind? What will you do if, for instance, section 57 is amended as it is sought to have it amended by the Bill presented, as passed by the House of Commons? You would have this situation, that some companies would contest the right of Parliament to enact this legislation and there would be a disturbing element. When we are assured by both sides of this House that the Act has worked satisfactorily for seventeen years, why not leave the Act as it is and let it work satisfactorily? I am absolutely of the opinion—I repeat it—that the clause which seeks to penalize the employees is ultra vires. Even if it were not I would be in favour of eliminating it from the Act, and leaving the Act otherwise as it is.

Hon. Mr. CASGRAIN: That would be fair to everybody.

Hon. Mr. DANDURAND: I would like to put a question to my honourable friend. At the meeting of the Railway Committee we heard the representatives of labour, who told us that by reason of the uniformly fair application of the Act they had gradually succeeded in convincing the labour element whom they represented that there was merit in it. Now, conditions have changed since 1907. Wage-earners who were striving for better conditions and better wages took advantage of the Act to accomplish their purpose. Now it is the turn of the employer, and he is trying to reduce wages. Of course, as hitherto, there will be resistance, and there will be a conflict. Here is a Conciliation Act. Does my honourable friend think that employers, by disregarding the requirements of the Act before the parties have been brought together, imposing their will on employees by reducing wages contrary to the letter and the spirit of the Act, will create such a situation as will enable a Board to bring the disputants into a conciliatory state of mind? The point that struck me in the argument of the labour leaders was that this Act is essentially a means of conciliation, tending to bring the parties together in an honest effort to compose their differences. Does my honourable friend think that the employer who, before the inquiry begins, or while it is being conducted, seeks to impose his will by reducing wages, will help towards a settlement being effected under this Act?

Hon. Mr. BEIQUE: I am ready to answer the question, and I think it is quite easy. As I have said, it is admitted by both sides that the Act in its present form has worked satisfactorily. Have we observed that employers were inclined to disregard its provisions and act unfairly towards their employees? On the contrary, have not employers been as conciliatory as possible and obeyed the moral requirements of the Act? The statute, apart from any penalty clause, imposes upon both parties the obligation of seeking a settlement of their differences. Both parties have accepted that. We have it from the employees that they were against the idea of the Act, but they have learned

to recognize its fairness and respect its provisions. No penalty clause has been imposed on either party. Now, where is the disturbing element? We must not suppose that employers will in future act otherwise than they have done in the past. If in the past the Act has worked properly, it must be supposed that it will act properly in the future. Why therefore, import into it any disturbing element for the benefit of either the employer or the employee? I quite agree that this provision should never have been put into the Act. Let us make it better for the workingman, and both parties will remain in their present state of mind, and will, I am satisfied, use the Act for purposes of conciliation.

Hon. L. C. WEBSTER: May I ask the leader of the Government whether there is an opinion in the Department of Labour as to the validity of the proposed amendment? In view of the statement made by the last speaker, I would assume that there is some doubt as to the validity of the proposed amendment and I would like to know whether an opinion has been given by the Minister of Justice on this point.

Hon. Mr. DANDURAND: I do not see that the amendments being introduced alter to any extent the principle already contained in the Act. If these amendments are unconstitutional, most of the remainder of the Act could be attacked in a similar manner. We have had no judgment of the Privy Council upon the Act itself or any of its provisions. The Court of Appeal of Ontario has maintained the validity of the Act. Of course, it will be said that the Privy Council or the Supreme Court might pronounce differently, but so far the Act, which has been on the Statute Book since 1907, has not been attacked before the courts, and we are proceeding to amend it—not as often as my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) has said, because I can find only three amendments since 1907—in order to perfect it. I do not believe that at this moment we should question our own jurisdiction, or that we should stay our hand in trying to perfect the Act.

It has been stated that there have been under the Act no prosecutions of employees or employers. I have a statement of prosecutions under the Industrial Disputes Investigation Act, and I find that there were two convictions of employers for illegal lockouts, and against employees there were two convictions for illegal strikes, one for inciting to strike and aiding strikers, three for striking illegally, inciting strikes, and aiding strikers, one injunction to restrain a union from encouraging a strike, and two injunctions to restrain board procedure.

Hon. Mr. GRIESBACH: Has the penalty been collected against employees? If so, how much?

Hon. Mr. DANDURAND: I have not had any information on that point.

Hon. L. C. WEBSTER: May I ask if these amendments do not go further in interfering with provincial rights than the matter that has already been referred to the Appeal Court of Ontario?

Hon. Mr. DANDURAND: I would not think so, because clause 57 has never been attacked. It declares:

> Employers and employees shall give at least thirty days notice of an impended change affecting conditions of employment with respect to wages or hours; and in every case where a dispute has been referred to a Board, until the dispute has been finally dealt with by the Board, neither of the parties nor the employees affected shall alter the conditions of employment with respect to wages or hours.

There you have a prohibition against doing a certain thing. The penalty clause against the employees covers the whole of 57, and clause 59 covers it partly, and has been on the Statute Book since I think 1909.

Hon. Mr. BEAUBIEN: We have been discussing almost the whole of the Bill on an amendment to the first clause. In order not to repeat an argument, perhaps I may be permitted to speak now on clause 2. The constitutionality of this clause has been doubted. The honourable leader of the House, when the Bill first came up, submitted to the House a judgment in Toronto Electric Commissioners vs. Snider, O'Donoghue and McGuigan. I understood the honourable gentleman to state that this was not a judgment of the court of last resort, but that of a very respectable tribunal, upholding the constitutionality of the Act. Perhaps the honourable leader's interpretation of that judgment went a little far. The judgment was rendered on an injunction, the purpose of which was to stop an investigation, and nothing else.

That there should be power in this Parliament to order an investigation there is no doubt; and I desire to read a paragraph of the judgment which states very clearly that it was not the intention to uphold any other power in the Act than the power of investigation. This is what the case was about:

> The plaintiffs ask the following relief: (1) a declaration that the defendants are, without lawful authority,

acting as a Board of Concilation and Investigation into alleged disputes between the plaintiffs and certain of their employees;

(2) An injunction restraining the defendants and each of them from proceeding with the investigation or in the alternative for a perpetual injunction in the terms of an interim injunction granted herein by the Hon. Mr. Justice Orde.

Before rendering judgment this is what the tribunal said:

It is not, I think, necessary for the decision of the case at bar to pass upon the constitutional validity of any sections or provision in this Act which do not deal with the powers of the Board, and consequently it is not necessary to consider the constitutional validity of sections 56 to 61 which deal with strikes and lock-outs prior to and pending a reference to a Board of Inquiry.

Therefore it is quite evident that this judgment can have no bearing whatever on clauses 56 to 61, and in particular clauses 57 and 58. But there is an authority which I have at hand, and which is of rather recent date. It comes from the Department of Justice. This House has been asking for a long time to be provided by the Government, for the enlightenment of its members in weighing the provisions of this Act, with an opinion from the Department of Justice. This is what Mr. Newcombe says—

Hon. Mr. DANDURAND: To whom is that letter written?

Hon. Mr. BEAUBIEN: I have not got that. I know it is a copy of a letter. I think it was asked for by Mr. Church, the member of the lower House for Toronto North.

Hon. Mr. DANDURAND: Was it produced in Parliament?

Hon. Mr. BEAUBIEN: I do not know. I know it comes from Mr. Newcombe, and was handed to Mr. Church. This is what it says:

Referring to your letter of the 31st ultimo, with regard to an application which the Minister of Labour has received for a Board of Conciliation and Investigation concerning a difference between the Toronto Hydro-Electric Power Commission and its employees of the classes described as electric workers, I find that the Toronto Hydro-Electric System is managed by a Board of Commissioners consisting of the Mayor, a member appointed by the Municipal Council and a member appointed by the Hydro-Electric Power Commission of Ontario, and it may I think properly be described as a municipal institution in the Province.

I observe that in the letters to which you have directed my attention I have questioned both the interpretation of the Industrial Disputes Investigations Act, 1907, and the authority of Parliament with relation to provincial or municipal employers and their employees. You suggest that in this particular case the authority of the Minister should be determined as precisely as possible.

It is I think apparent that the real purpose of the Industrial Disputes Investigations Act, 1907, is to regulate relations as between employers and employees of the respective classes to which the Act is intended to apply, with a view to the prevention of lock-outs and strikes. The Act provides for the establishment of a Board of Conciliation and Investigation, which is empowered to enquire into the dispute and all matters affecting the merits and the right settlement thereof, and if possible to bring about a fair and amicable arrangement; failing this to report the facts and circumstances, the findings of the Board and its recommendation to the Minister, and pending the reference and enquiry employer and employees are respectively prohibited from lock-out or strike. Penalties are provided for breach of the latter provision, but these are a necessary incident, providing sanction and establishing the compulsory character of the Act; and, while doubtless they operate by themselves as criminal enactments, I entertain very serious doubt that the Act in its general scope and intent can be sought to apply the Act in relation to municipalities and their employees, or to disputes in relation to matters of a merely local or private nature in the Province, I am very doubtful indeed that effect can be given to its provisions compatibly with the exclusive authority which is committed to the provincial legislatures.

The question is one which cannot be precisely determined except by judicial authority, and I can only say that upon my best consideration of the whole case I would anticipate an adverse judgment from the Judicial Committee of the Privy Council if the question came before that tribunal as to the authority of the Minister to subject the Hydro-Electric Power Commission of Toronto to the operation of the Act.

The honourable leader will notice that there is weighed the right of this Parliament, and through it of the Minister, to deal with an Act which concerns not only a municipal corporation, but also a company within the jurisdiction of the province. The purpose of this Act is to constrain both parties to maintain an agreement involving civil rights. For that reason I think the Act is certainly ultra vires; at all events, if the Act is passed, it should only be passed subject to a favourable opinion from the Supreme Court.

Just one more word. My honourable friend has taxed me with holding his own opinion as to the law itself. I did not intend to state, even if I did so, that I considered the law perfect by any means. This law is not on trial. He forgot altogether about the amendments which alone are on trial, and therefore the authorities which he brought before us in relation to the Act itself are without any weight whatsoever. Whatever may be my opinion as to the law, the people who approved it in the past did not approve the amendments. Therefore I say to the honourable gentlemen: Do not call them as witnesses; you can only have them as witnesses on a law which is not on trial at all; we are now judging on their merits amendments to the law. That is what I meant, and that is all.

Hon. Mr. BELCOURT: Mr. Chairman, I submit humbly and with respect that we are losing time. I take it that this Chamber is not going to decide that this Act, which has been in operation seventeen or eighteen years,

is ultra vires because someone has questioned its constitutionality. We have got to carry on and secure the administration of this Act until some more competent court declares it ultra vires. It seems to me that all this discussion of constituticnality is an absolute waste of time. Parliament assumed to enact this legislation, and has helped to enforce it for seventeen or eighteen years, and Parliament cannot of its own motion declare it to be ultra vires.

With regard to the amendment now proposed by the Government, the effect of which will be to impose upon the employer a penalty somewhat in the nature of that imposed upon the employee, the question presents itself to me in this way. It has been suggested that the Government should not make that amendment, but one, which I understand my neighbour is about to propose, removing the penalty imposed on the employees. I do not think we have any evidence to show that the imposition of the penalty has not had a very good effect. I am inclined to think it has had a good effect. The same argument seems quite as justly applicable to the employer as to the employee. I think the Act would be more efficacious if a penalty were imposed on both parties. The validity of the Act has been questioned all along, and we have spent a couple of hours to-day discussing it. There is an impression that the Act does not amount to much. Why not then put into it a penalty which would compel both parties interested in enforcing the Act to try to carry it out? The very fact that the Act is questioned imposes upon Parliament the duty of putting into that Act some teeth, as the honourable gentleman from Montarville (Hon. Mr. Beaubien) has said, to assure its having some results. My own opinion, therefore, is that the Government amendment should be carried, and that until some court decides that the Bill is unconstitutional it is the duty of Parliament to treat such action as being perfectly within our power. It does not behoove Parliament to admit that an Act which it has passed and acted upon for seventeen years is ultra vires. We cannot act on that assumption until some court of justice declares the Act ultra vires.

Hon. Mr. DANDURAND: The purpose of the amendment in clause 1 is to meet the case of a divergence of opinion where the parties have been unable to come together.

Hon. Mr. LYNCH-STAUNTON: Does it not mean this, that the employees are dissatisfied, they want a conference with the employer, and the employer refuses to enter into negotiations? I thought that was up last year and we refused to pass it.

Hon. Mr. DANDURAND: No; it passed. This only refers to an application for a Board. It relates, as my honourable friend will find if he reads the whole clause, only to the procedure regarding the statutory declaration which must accompany the application for a Board.

Hon. L. C. WEBSTER: Before clause 1 is passed I wish to move an amendment which affects section 8 of the Act, whereas clause 1, as I understand, deals with section 15. The amendment that I wish to move is as follows.

Hon. Mr. DANDURAND: Is it an amendment to clause 1 that my honourable friend would move?

Hon. Mr. WEBSTER: It affects section 8, which is prior to section 15, the section we are now discussing.

Hon. Mr. DANDURAND: I would ask my honourable friend to allow this clause of the Bill to be dealt with first. When it has been dealt with he may bring in an amendment to another clause.

Hon. Mr. WEBSTER: But if section 15 is not coming up at all, I want to have my amendment considered by the House.

Hon. Mr. DANDURAND: But we cannot consider two clauses at the same time. We must first concentrate our attention on clause 1, and when we have disposed of it we may proceed further. Will you put the motion, Mr. Chairman?

The Hon. the CHAIRMAN: In the first place, is it the wish of the Committee that the amendment should be suspended?

Hon. Mr. BELCOURT: May I ask, Mr. Chairman, what is the amendment?

Hon. Mr. DANDURAND: It relates to coal mining.

The Hon. the CHAIRMAN (reading):

Paragraph c of section 2 of the Industrial Disputes investigation Act, 1907, is hereby repealed and the following substituted therefor:—

c. "Employer" means any person, company or corporation employing ten or more persons and owning or operating any coal mining property—

Hon. Mr. BEAUBIEN: Do I understand that the honourable leader of the House wants all the amendments suspended until we at least adopt section 1 of the Bill?

Hon. Mr. DANDURAND: I would like to have the consideration of this Bill proceed on regular lines. We are now dealing with section 1. If there is no objection to section 1, we shall agree to it, and then proceed to section 2, which contains an amendment to section 57 of the Act. Then my honourable friend may move an amendment.

Hon. Mr. BEAUBIEN: I have no objection, provided we have the right to come back with our amendments, even after you have passed section 1, 2 or 3 of the Bill. Regularly, the amendments should go first. However, we will pass section 1.

Section 1 was agreed to.

On section 2—new section 57—relation of parties to remain unchanged pending proceedings before a Board.

Hon. L. C. WEBSTER: I move this amendment:

If either of the parties fail or neglect to make any recommendation within the said period, or such extension thereof as the Minister, on cause shown, grants, the Chief Justice of the Province in which the dispute—

Hon. Mr. DANDURAND: No, no, that has nothing to do with this clause.

Hon. Mr. WEBSTER: Then I do not know where it comes in.

Hon. W. B. ROSS: That is another thing. That would be a new clause inserted in the Act.

Hon. Mr. DANDURAND: It is not an amendment to the clause before us.

Hon. W. B. ROSS: That is another thing: that is an addition—a new clause.

Hon. Mr. BEIQUE: I understand that the Committee is on clause 2 of the Bill.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEIQUE: Then I move that clause 2 of the Bill be amended by striking out all after the word "therefor" in the fifth line, and substituting the following:

It shall be unlawful for any employer without the consent of a majority of the employees evidenced in writing, signed by them or their authorized representatives, or for any employee to make any change in the conditions of employment with respect to wages or hours, unless the party making the change has at least thirty days before doing so applied for the appointment of a Board to which the dispute shall be submitted and, as regards wages, the Board may declare its decision retroactive to any date not anterior to that on which the change was made. On the failure of either party to abide by the decision of the Board, the other party may have recourse to a strike or lockout as the case may be.

It is the same amendment which I proposed last year, and which was adopted by this honourable House, with the exception that I have introduced into it now the words "at least thirty days," which were not in the amendment last year. This is seeking to give the employers or the employees the right of changing the conditions of their employment by giving notice of the change, one to the other, at least thirty days before applying for the appointment of a Board, and I think it is fair to both parties.

I think I appreciate, as much as anybody can, the benefit of this Act. I am in sympathy with the workers. I believe that their conditions have been very much improved within the last fifty years, and that they were entitled to such improvement. I am in sympathy with their associations, and I think that this law has had a good effect. But I cannot reconcile myself to the unfairness of denying the employers or the employees the right, if they choose to do so, of changing the conditions of employment after giving 30 days' notice to the other parties or the employers being compelled to pay the increase before the award is made. As was mentioned the other day, it meant $500,000 a month for one company, and it may take three months, or four months, or six months before the award is made, and in the meantime the employer would be obliged to pay this large amount of wages to his employees, which would never be recovered. I fail to see the propriety or reasonableness of any law of that kind. I move this amendment because it is shocking to the sense of justice that any law of that kind should be on the Statute Book.

I have no doubt that in the future, as in the past, employers especially will be responsive to public opinion, and will be inclined to make concessions, and great concessions, to their employees, and I would approve of their doing so; but between this and being compelled to pay, for months and months, wages which should not fairly be paid, is going too far, in my opinion.

Hon. Mr. DANDURAND: Honourable gentlemen, we had this argument already with the representatives of labour in the Committee which was appointed to hear them, and I desire to put their view on this proposed amendment as fairly as possible before this House. They say, and I think we all agree, that this Act was passed to try to prevent strikes; to try to maintain harmony between employer and employee. For that purpose the Act organizes the machinery that allows the parties to be brought together around a

table with arbitrators who are there to make an effort to reconcile the conflicting interests. That is the object of the Act—to bring together those two parties, capital and labour, in order that peace may reign in the land.

As a result of the working of this Act we have had a statement made by the Canadian Manufacturers' Association in the present month, June, with this result:

> The Association Committee expresses great satisfaction with the Lemieux Act for settling industrial disputes, and points out that out of 580 disputes referred under the Act there have been only 36 cases in which strikes were not averted.

Now, is not this an extraordinarily advantageous result of legislation passed by this Parliament?

What do the labour people answer to this proposal of my honourable friend? That the Act had stated, from 1907, that, there should be no change; pending a bringing together of the parties for a free discussion of their difficulties; that until a report was made the situation should remain unaltered. In virtue of this amendment the employer would give notice to the employees that he had applied for a Board, and that 30 days hence he would reduce the wages. The Board would then have to be organized, would have to start its sessions, would hear witnesses, and if it had not succeeded in bringing the parties to an adjustment of their difficulties within those 30 days, then when the fatal hour intervened the conditions would be changed, the wages would be lowered, and the next day there would be a strike. Well, that is just what the Act wants to prevent—a strike. It is just that rupture which the Act seeks to avoid.

My honourable friend says that the employer may be paying large sums of money, and yet he is held up pending the inquiry, and is obliged to pay the old wage reluctantly until the report is made, and as a result half a million dollars in wages may go into the hands of the employees against the will of the employer. That is true, but that is looking only at one side of the problem and it is an exeptional case where an employer will pay $500,000 for a month pending inquiry. The employers in the case cited were the railway companies—the Canadian Pacific Railway and the Canadian National Railways. They are the largest employers of labour in the country. So that the case is an extreme one. But let us admit that that increased wage represented $500,000 in a month, that the inquiry lasted two months, and that a cool million dollars was paid to the wage-earners which the employers would otherwise not be obliged to pay. Now, that is the debit side: the companies have paid $1,000,000. It is true that they could perhaps have taken time by the forelock, and knowing that there would be a demand for a Board, and that the inquiry would last two months or more, they could have foreseen that necessary delay, and made their decision for a reduced wage in time to cover that outlay. But let us say that they were in such a position that they could not take time by the forelock, and that they would have been made to pay $1,000,000 in a couple of months. We must remember that this is an extreme case, connected with our biggest institution, employing the largest number of people; yet, although the railway companies of Canada paid that $1,000,000, they were still the beneficiaries jointly with all the people of Canada. They paid the million; that is the debit side. But, on the other hand, they got no strike, no disorganization; their business continued, while if they had refused to go into that arbitration they would have had a strike, for a large majority had voted for a strike, and how long the strike would have lasted we do not know. Surely a strike of a month, paralyzing all of our railway systems would represent more than a million dollars, and the whole of the business of Canada would have been dislocated.

There are three parties to this matter: the employer, the employee and the public. We are dealing with public utilities. I take the extreme case of my honourable friend, which is the largest example that he can give, representing a large outlay and a large loss; but I say that that is a very small sum compared with the fact that the company maintained its system, maintained harmony and goodwill, and gave satisfaction to the men.

In the case that my honourable friend mentioned, what happened? The Board decided against the men, but the men had gone to that arbitration and had met their employers; they had come together; and, although they had voted by a very large majority two months before in favour of a strike, they agreed to the verdict of the Board and accepted the lower wage. I do not know if that return was compensation for the increased wage that they had received for two months, but I appeal to this Chamber to answer this question: did not the railway companies get far more in return by the satisfaction given to the men, by avoiding a strike, and by securing that their affairs would run on smoothly?

The labour leaders who were heard in the Committee were against this amendment, because it makes against the conciliatory spirit, and threatens the vitality, the essence,

of the Act itself, which is conciliation. If the Senate of Canada thinks that the employer should have the right to reduce wages from the moment that he decides to do so, it is perhaps as well to accept the principle purely and simply rather than to say 30 days; because what would be the effect on those people who are to confer peacably around a table for an adjustment of their differences on hearing the news coming to them that while they were trying to adjust their differences the conditions were altered and the wage scale was lowered?

I do not believe that the proposed amendment makes for happy conditions, for harmony between capital and labour; and for this reason I would press my honourable friend not to insist on his amendment.

Hon. Mr. BEIQUE: I have very few words to say in answer to the honourable gentleman. The employers had the right under the Act to change conditions and wages, as they did change them. They were not obliged to continue to pay the increased wages, but they did so by way of conciliation; and though it involved an amount of a million dollars, it might have involved three or four millions if it had continued for three or four months, and I doubt if they would have continued for that length of time.

Now, I would be willing, and I think we would act wisely, to leave the Act as it was; but I am moving that amendment because the Government, or the honourable gentleman, is seeking to change the operation of the Act. He wants to put the employers under a severe penalty clause, and thereby make it to the interest of the workers to act in such a way as to defer as long as possible the report of the Board. If this amendment be adopted we may have Boards rendering their decision within a month or two, both parties being interested in trying to have the decision as soon as possible, whereas we might have employees interested in prolonging the delay as much as possible, and have the award thrown over for four or five or six months. Where, then, would be the fairness of forcing the employers in the meantime to pay the additional wages?

We are now discussing the question as regards the railway employees, but we must not lose sight of the other cases. If this Act is to be applied to other companies, especially to mining companies, it might affect a great number of companies that would not be in a position to continue to pay the advanced wages. They would have to stop operations if compelled to continue to pay high wages, or they could be penalized and proceeded against under the Act. Where is the fairness of a law of that kind?

I think that the honourable gentleman need not be afraid that railway employers and large employers in industry of all kinds will not be conciliatory. They are interested in being conciliatory with their employees, and it would only be as a last resort that they would change the conditions; but to deprive them from their right to change conditions after one month's notice is going too far, I think, and for my part I could not consent to withdraw the amendment.

Hon. Mr. LYNCH-STAUNTON: I think this controversy clearly shows the wisdom of leaving the Act alone until we find that some hard case has arisen, or there is some real reason for amendment. Many people are busy all the time in trying to get this Act amended.

Hon. Mr. DANDURAND: But I may tell my honourable friend that we have had those conditions.

Hon. Mr. LYNCH-STAUNTON: The necessity for this clause has not been shown here. I do not agree with the amendment, and I certainly do not agree with this clause, but I would rather vote for the amendment than for the clause. I think, however, we would be doing far better to leave the law alone.

Hon. Mr. ROBERTSON: Honourable gentlemen, in view of the remarks of the honourable member from Hamilton (Hon. Mr. Lynch-Staunton) and also some made by the honourable member from Montarville (Hon. Mr. Beaubien) some time ago, there is evidently a feeling in the minds of honourable gentlemen that there has been no reasonable justification or necessity for the amendments now before the House, as presented by the Government.

I do not want to weary the House, but I do want to make it clear that these amendments were sought last year, and are before us again this year, not simply because of any desire to discuss the Act and attempt to amend it, but because of a very real and realized injustice which the railway employees in Canada experienced first in 1921, and nearly experienced again in 1922.

Hon. Mr. LYNCH-STAUNTON: Nearly experienced, you say?

Hon. Mr. ROBERTSON: Yes. On June 16th, 1921, all the railways in Canada, through the Railway Association, gave notice to their employees collectively through the various organizations that on July 16th, 1921, or

30 days thereafter, a perpendicular decrease in wages aggregating an average of about $13 per month to each employee—there being approximately 200,000 of those employees—would arbitrarily go into effect. Now, honourable gentlemen, 200,000 employees suffering a reduction of $13 a month would mean, roughly, $2,600,000. It is fair to say that that action of the railway companies, which the Department of Justice of the Government of Canada has said was contrary to the law of Canada, forced upon the railway employees of Canada a loss of $2,000,000 a month. That is a fact. That is the reason why the employees subsequently approached the Government and said, "Won't you please change the Act so that it will apply equitably and equally to all concerned?"

Now, the question arises whether or not the amendment is necessary to bring about that result. Let me briefly show how the Act has worked in years gone by to the detriment of the employees, and the loss they have sustained by reason of complying with the requirements of the law. When a wage increase has been made on our Canadian railways—and this question has not arisen in any other industry—it has always arisen first with the men at home feeling the need. They began to talk about it, and then brought it to the attention of those who represented them and had to speak for them to the employer; and it frequently occurred that it took months from the time the pinch was felt before the request was made to the employer for the increase that was sought. Then negotiations were begun with the employer, after they had been carefully prepared and submitted. Then the employer, with the 30 days notice that must be given him under the law, sat down and discussed these proposals, and weeks went by in negotiations. At the end of that time an agreement was not reached, and under the law the employees had to apply for a Board. For 17 years they complied with that law, and waited until the matter was referred to a Board, and the Board made its report as the law required.

Subsequently, after all those weeks, and frequently months, of delay, the Board would render a decision, and it would then be for the respective parties to accept or reject the recommendations made. The records of the Department of Labour over a long term of years show that in a large majority of cases the investigation and calm consideration usually resulted in the recommendations of the disinterested tribunal being accepted by both parties, and an interruption of public service avoided.

Hon. Mr. CASGRAIN: In whose favour was it?

Hon. Mr. ROBERTSON: It was usually determined on the merits of the case. Now, I want to point out, honourable gentlemen, that in every one of those cases, extending over that long period of years, the employees invariably lost heavily—a loss that cannot be estimated in dollars, because it is impossible to compute it—by reason of the postponement of the effective date of the decision, or agreement, as the case might be.

It was explained to the Railway Committee of this House, and emphasized by a number of gentlemen appearing for the employees the other day, that for many years labour was opposed to this Bill because of the unfairness perpetrated on workmen by reason of that very fact that it postponed the day of settlement, to the very substantial advantage of the employer every time. That went on from 1907 until 1920, in fact until 1921, when a condition set in in Canada that had never existed before, namely, that there was a drop in the cost of living. Ever since that Act had been in force our experience in Canada was that gradually there had been from year to year a slight increase in the cost of living, sometimes more and sometimes less, and therefore the trend of wages was always upward. It was therefore always to the advantage of the employers that the date of settlement and of payment should be postponed as far as possible—and I am not blaming employers for that for a moment; not at all.

The exception that the men take to what has occurred since then is that just as soon as the sun began to shine on the other side of the mountain, and just as soon as the cost of living began to decline a little, the employer thought that wages should be reduced a little; and nobody can blame him for so thinking, for conditions warranted a change of some sort. But we do say that the employer should have approached the situation as the employee would have to approach it, and had approached it for 16 years up to that time, and should not have put into force a reduction of wages which was contrary to the law, as stated by the Department of Justice, and have taken from the men $2,000,000 a month. If I take from another man's pocket what rightfully belongs to him, under the law I am subject to a penalty. Yet it is held here by some gentlemen—and I am sure it is a mistaken view—that the railway company has a right to go into the pockets of the employees and take out of their pockets that money, and not be subject to a penalty.

I feel strongly on this point, and on calm reflection I do not think you will blame one

for urging that whatever law may be enacted by the Parliament of Canada to govern the activities of employers and workmen, the object should be to maintain industrial peace, and especially to encourage the spirit of conciliation; but that object will never be accomplished by the enactment of the amendment that my honourable friend from De Salaberry (Hon. Mr. Béique) suggests, or by retaining the Act in its present form.

Hon. Mr. LYNCH-STAUNTON: This matter was discussed last year, and I have forgotten what the answer was. If the railways make what you call a perpendicular cut in wages to-day, and then there is a Board, would not the arbitrators ante-date their award if the increase was found to be just?

Hon. W. B. ROSS: They are required to do that if it is the right thing.

Hon. Mr. ROBERTSON: No, it is entirely within the jurisdiction and power of the Board of Conciliation to make its recommendation as it sees fit as to the effective date.

Hon. Mr. LYNCH-STAUNTON: Then where is the injustice? Supposing there is a cut, say of $13, made to-day, then there is a Board appointed, and the Board say that the cut was not justified, and they award $13, will not the railway have to pay it?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. LYNCH-STAUNTON: Then where is the loss?

Hon. Mr. ROBERTSON: I say yes, but I want to amend my answer. The railway company may exercise its own judgment as to whether it pays it or not.

Hon. Mr. LYNCH-STAUNTON: It does pay it according to the award, always.

Hon. Mr. ROBERTSON: No. My honourable friend raises the question as to whether a railroad company in Canada has ever refused to accept an award of a Board. I want to say yes. Only last year a Board of Conciliation rendered a unanimous report covering not only one railway company but practically all our railway companies in Canada, affecting a large class of men that number more than 20,000 in the railway service of this country. The unanimous report of that Board recommended an increase in wages for that class of men, but the railways unanimously and collectively refused to accept the recommendation of the Board.

Hon. Mr. LYNCH-STAUNTON: And what happens?

Hon. Mr. ROBERTSON: The increase did not go into effect, because they refused, as was their right, to which I am taking no exception.

Hon. Mr. LYNCH-STAUNTON: Was there a strike?

Hon. Mr. ROBERTSON: No, there was not. The men capitulated after the Board rendered its decision—it was coming on to the fall of the year, and they felt that it was not desirable to make trouble—and subsequently I think some compromise adjustment was made, although I am not sure of the details, because I was not directly connected with it. So the grievance the men have had is that they think that when the railway companies—I do not want to single out railway companies particularly, but they have been the only offenders in this regard—when the railway companies or the employers want to reduce wages, they should call in the men, or the representatives of the men, and attempt to reach an agreement, as the men have to do when they seek a revision. If they cannot reach an agreement, let them apply for a Board, and the Board will be established and will sit and adjudicate upon the case, and will render its decision. Both parties will then be on an equal footing. But do not say to the employer, because the tide is turning and the trend of wages is downward instead of upward: "You are going to have an advantage that was denied to the employees when the tendency was upward instead of downward."

Hon. Mr. GRIESBACH: My understanding disappears at a certain point in this discussion. What is the essential difference between the clause as it now stands and the clause as proposed with respect to the difference in conditions occasioned by the fact that wages have been going up instead of down?

Hon. Mr. ROBERTSON: If the leader of the Government will permit me—

Hon. Mr. DANDURAND: The question seems to be addressed to my honourable friend.

Hon. Mr. ROBERTSON: The law requires that if an agreement is not reached, a Board must be applied for. During the fifteen years when it fell to the lot of employees to seek changes, they always applied for a Board, as the law required. When the time arrived that the cost of living turned downwards—1921 being the first year when we experienced that

—the railway companies desired to decrease wages in keeping with an adjustment in the United States which resulted in a strike of 400,000 men over there. But instead of it resulting in a strike here, although the men would have been justified, they applied for a Board, even though that obligation rested on the employing company which was seeking the change. One of the amendments sought is to require the party seeking the change to make the application.

Hon. Mr. GRIESBACH: Did I understand you to say that the existing law did require it?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. CASGRAIN: Now there is a fine.

Hon. Mr. ROBERTSON: We are getting now to the point where the real meat is found.

Hon. Mr. CASGRAIN: Where the teeth come in.

Hon. Mr. ROBERTSON: There was no penalty for the violation of the Act. That was admitted in the Department of Justice at that time. Two penalties are provided: one against employers, for indulging in a lockout, and one against workmen for indulging in an illegal strike; but in this particular case the employing company put into effect a wage reduction, for which there was no penalty.

Hon. Mr. LYNCH-STAUNTON: Does not the honourable gentleman know that a breach of a statute is an indictable offence?

Hon. Mr. DANDURAND: Then my honourable friend has no objection to putting it in the Act.

Hon. Mr. LYNCH-STAUNTON: It is in the Criminal Code. We do not need to add a superfluous clause.

Hon. W. B. ROSS: There is one point that ought to be cleared up.

Hon. Mr. BELCOURT: Only one?

Hon. W. B. ROSS: I think we have got it down to that. The amendment provides that when a Board is granted the arbitrators may make their award relate back. If that is so, take the case of the railway company that has reduced the wages for three months, and that has $3,000,000 or $4,000,000 belonging to the men, the company cannot escape paying that, because you are arguing this case on the assumption that the legislation is intra vires. They are both parties to the arbitration, and the Privy Council has decided in two cases, that where there is no other way of enforcing an award, the party interested can make them pay. It is true that is involved in the amendment, and that making the award retroactive takes the sting out of nearly everything that is said with respect to everything else that is urged against the amendment. Now, take the employer. There is an award, and it relates back, and the men can collect it.

Hon. Mr. DANDURAND: It is not an award; it is simply a recommendation, a report.

Hon. W. B. ROSS: I do not care what it is. It must be something. Both parties have agreed.

Hon. Mr. BELCOURT: It could not form the basis of a civil action.

Hon. W. B. ROSS: Why not?

Hon. Mr. DANDURAND: Both parties have agreed to sit around a table and to submit the facts and allow the arbitrators to give their opinion to the Minister of Labour.

Hon. Mr. CASGRAIN: It is like the League of Nations.

Hon. W. B. ROSS: If it does not relate back, and has no effect, I think the whole thing is moonshine and that we had better drop it.

Hon. Mr. BELCOURT: After all the proceedings you can take under the Act have been taken, and are terminated, everybody comes out with just the same rights he had when he went in. Anything that is done under the Industrial Disputes Act does not give or deprive anyone of any right he had when the investigation began.

Hon. Mr. ROBERTSON: But there is an important point in connection with the amendment that I should like to dwell upon briefly. In his amendment the honourable gentleman seeks to be absolutely fair, and to treat both parties equally up to a period of thirty days after the application is made. It may be a peculiar position for me to take, nevertheless I try to see these things from the standpoint of what I believe to be in the public interest, as well as from the standpoint of a more or less personal interest. Let me demonstrate what would occur if the honourable gentleman's amendment were the law, and that the thirty days had expired from the time an application had been made by employees for a Board. Those employees are members of an organization financially strong and well fixed, and are only chafing because of the restrictions which this Act places upon them. They, however, comply with the law, and make an application before the Board, not caring whether it sits or not.

Thirty days go by, and immediately they say: "We are free under the law," and, as we say on the railroad, "Pull the pin," and the strike is on.

I submit, honourable gentlemen, that that is not a good law for this House to pass. I think it would be better that the clause as it stands in the proposed Bill should continue in force, and that until that investigation is completed, and a disinterested tribunal has filed its report and you have had time to sit down carefully and realize your obligations, the pin should not be pulled. Many organizations and bodies of labour men would be glad to be relieved of that obligation, but I say it is not in the public interest that it should be done. That is one of the reasons why I hope the amendment of my honourable friend will not prevail.

I supported his amendment last year—it did not go that far—because I felt that it was the best that could be done under the circumstances; but he did not propose to make it equal on both sides and operative both ways. Knowing the weaknesses and frailties of workingmen as well as other men, I think it is undesirable, and indeed dangerous, to pass the amendment that my honourable friend has submitted. If that be true—and I am quite sure honourable gentlemen will agree that it is true that it would be unwise to leave open the loophole on that side—is it not equally correct to say that if the employer desires a change in existing conditions or rates of pay, as covered by the agreement with his employees, he should likewise comply with the requirements of the Act? If he would reach an agreement with his employees, let him apply for a Board of Conciliation and Investigation and not disturb conditions until the Board has investigated and made its report. Honourable gentlemen will appreciate and can visualize what would happen if a Board were endeavouring to compose differences and in the midst of the Board's investigations that thirtieth day arrived and either party or both were just waiting for the clock to strike, that they might jump at each other and have a row. That Conciliation Board's prospects of success would be very remote. I am satisfied, therefore, that on reflection honourable gentlemen will agree that if the law is right in principle—and I am sure we all concede that it is, because experience has proven it to be—it is not wise now to make a change that would interject a fighting spirit, instead of the spirit of conciliation. Knowing full well, as I do, that the honourable member from de Salaberry (Hon. Mr. Beique) has moved his amendment in a sincere desire to find some medium course that would be helpful towards obtaining good results from the standpoint of conciliation, I am sure he will realize on reflection that the amendment would not have this effect, and I hope he will reconsider it. I move, Mr. Chairman, that the Committee rise, report progress and ask leave to sit again, and I would suggest that my honourable friend—

Hon. Mr. MURPHY: No, no.

Hon. Mr. CASGRAIN: No, no. Question! It is nearly six o'clock.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I do not know whether you are disposed to sit for five minutes longer—

Hon. Mr. DANDURAND: Certainly. We will sit until 6.15, and try to reach a vote.

Right Hon. Sir GEORGE E. FOSTER: But before the vote is taken, if it is desired to take a vote in a very thin House, I would like to say a word on the subject. I have been a listener, both last year and at the present Session, to the debate on this whole question. I have not said anything on either side. I have been trying sometimes to get out of the fog, and have been more often in it than out of it. However, I see my way pretty clearly now, and I desire to say to this House, in a few words, how I view the situation. I am not unmindful of the troubles that have occurred between labour and capital during the last fifty years; and I am not oblivious, either, of the fact that during the last twenty-five years the relations between labour and capital have vastly improved and that the temper of the two sides has veered around almost entirely. From mortal combatants on a field of battle they have changed to men who as human beings had interests in common and were ready to compromise. They had to have a sort of feeling that either of them might be wrong, or that both of them might be right, and that in either case probably a compromise was the best way of solving the difficulties. The human element has prevailed. Everybody knows, and it has been acknowledged on both sides of this House, that from 1907 there began on the labour side a spirit of gradual approach towards the contemplation of that law as a thing which might be advantageous to labour and under which employees might work for their own benefit. They were absolutely suspicious of it at first, and they remained to a certain extent suspicious of it year after year, but gradually

they overcame their prejudices, lost a good deal of their suspicion, and came to work under the law as well, I think, as any body of men have been induced to work under any law. They have, in the main, kept the spirit of the law. They have obtained its advantages and have suffered whatever disadvantages came to them through their compliance with the statute. Therefore we find to-day a mightly improved spirit as between these two vast sections of our people, upon whose good relations with each other depends so much that third body of the people, the main body, who are always affected one way or another by these disputes between capital and labour.

I would hate to see anything take place to-day which would be a sort of reversion from that feeling of gradual approach to the Act by the labour and industrial portion of our people, and their appreciation of its usefulness. These new amendments proposed by my honourable friend and others are offered in the very best spirit and with the very best intention, but unless there is some mighty good reason or great urgency at the present time, I think it would be a pity to make any break which would lead the labour element to the conclusion that, after all, they had not been getting where they supposed they were getting—towards a basis of human agreement, one party with the other, without strife and war. This is the only consideration that weighs with me.

I ask any honourable member of this House whether, after studying the history and statistics of this Act and receiving the impress of the lesson from them, he does not think there has been a great improvement. Has not the labour element obeyed that law in its essence and its spirit in a very satisfactory way? Is it absolutely necessary now to run the risk of breaking that spirit of agreement and unity by forcing this proposed legislation? Could it not at least be left over until there are actual transactions which make the changes in the statute necessary as well as advantageous to the country as a whole? I hate war in every respect, and I think there is no more foolish way of trying to settle disputes between labour and capital than by strikes, in which the third party has to take the worst consequences and neither of the disputants, by stirring up the spirit of warfare and contention, get in the long run any advantage. The farther away we get from that method, the better.

With reference to the amendment of my honourable friend, I think that what the former Minister of Labour (Hon. Mr. Robertson) has said bears very strongly upon this. At the end of the thirty days both parties are told: "Boys, you have been trying to come together, but have not succeeded. Now, at the end of thirty days, the employer may reduce the wages and you are both free to fight." The labour man will have an incentive to go into that fight. To my mind, it is taking a bond off him and leaving him in a position in which he may not obey the purpose and intent of the law. He will probably find a jumping-off place, and the result will be a rupture and a fight which may continue for a long time. Now, in the fights that take place the third party is surely always the party that suffers the most, and has to put up with all the inconvenience. Here you have hovering over this capital to-day a possible rupture in one of the great services of this country. You have on one side labour in those different positions, which says, "Our salary is not sufficient; it has been looked into; we have got a decision of the Civil Service Commission; it has come to a certain point; there has been a betterment, but it is not what we ought to have." On the other hand, you have the Government, and you have the institutions under the law, which have come to a conclusion and made an award. But one side is not agreeable to that award; and suppose that break takes place, and suppose that mighty service from one end of this country to the other immediately ceases to function, we can hardly sense what would be the condition of this country during the next week or fortnight or month or two or three months, if a struggle of that kind should go on. That illustrates the immense importance of trying to keep along the line of order, and of human sympathy, and of compromise.

It is with reference to these things that I hate to see a break made, as I feel it will be made if we insist on some of these amendments which are now before this Chamber.

In a very imperfect way I have given you my view, which is simply this, that for myself I shall vote against the amendment of my honourable friend, because it will be not only ineffective, but it will incite to worse things than would happen if it was not a part of the statute.

On the other hand, I am much impressed with this, that when you have established the spirit of a law, the next thing to do is to see that it is made effective, and if a law cannot be made effective without a penalty, a reasonable penalty ought to be put on. Why should it not be? It seems to me that the argument is sound and clear and irrefutable that if Parliament had come to the conclusion that a principle is right, it is a fair thing to impose

a penalty in order to make one side or the other adhere to the principle of the law; otherwise, it would be better to take the principle out of the Bill and not put it in effect. On that account I think it is proper to place the penalty in the Bill, and I hope that this honourable House will at least give it the very deepest consideration. But do not let us in these times undertake legislation which, certainly to my mind, will have the effect of making much worse the conditions as between labour and capital.

Hon. Mr. BEAUBIEN: Do I understand from what the right honourable gentleman says that he considers the amendment proposed perfectly equitable?

Hon. Mr. DANDURAND: What amendment?

Hon. Mr. BEAUBIEN: The amendment which we are now discussing.

Hon. Mr. DANDURAND: The amendment of the honourable member from De Salaberry?

Hon. Mr. BEAUBIEN: No, I am talking of the amendment in the Bill. I want to know from the right honourable gentleman whether he believes in all sincerity that the penalties imposed on workmen, when they are 3,000 or 4,000 or 6,000, can be collected.

Right Hon. Sir GEORGE E. FOSTER: I am not a legal man, and I do not pretend to give a legal opinion. There is a penalty, and it may be collectible, or it may not. I am not going to give an opinion on it, because I do not know it, but I go a little underneath that, and I say that the course of the labour people from 1907 until the present time has been a course which has shown that they stay as closely as possible, and very closely indeed, to the spirit of the law, and that they have not had to have a penalty inflicted upon them. They have obeyed the law, without the infliction of a penalty. On the other hand, there is a threat, there is an eventuality, that another side to the controversy, will not or may not obey the principle of the law unless a penalty is attached to it. Therefore you have this state of things: One side gradually approaching and coming more in unison with the law as it is, and in the main obeying it in every case, and the other side refusing to accept without penalty the principle which is in the law, which they may obey and they may not.

The motion of Hon. Mr. Robertson was withdrawn.

The proposed amendment of Hon. Mr. Beique was negatived: yeas, 13; nays, 31.

Section 2 was agreed to: yeas, 28; nays, 15.

Section 3 was agreed to.

The Hon. the CHAIRMAN: On the preamble there is already one amendment.

Hon. Mr. BEAUBIEN: Now that you have done away with that 30 days amendment, please remember that the absestos miners and small mine operators have said they cannot stand it. Now you have put the teeth in: the fangs are in. Now, please remember what these people have told you.

Hon. Mr. DANDURAND: They may only use the law as they please. As they have come together and agreed to arbitrate 24 times since 1907, it seems we should let them have the opportunity to submit their disputes under this Act.

Hon. Mr. BEAUBIEN: No, you are imposing on them this clause; they cannot change their wages or working conditions during investigations.

Hon. Mr. BELCOURT: We cannot reopen that question, surely. We discussed it all the afternoon.

The proposed amendment of Hon. Mr. Beaubien was negatived: yeas, 13; nays, 18.

Hon. L. C. WEBSTER: I beg to move:

4. (1) Subsection 2 of section eight of the said Act is hereby repealed and the following substituted therefor:

"(2) If either of the parties fails or neglects to duly make any recommendation within the said period, or such extension thereof as the Minister on cause shown grants, the Chief Justice of the province in which the dispute arose, or, if there be no such Chief Justice in that province, the Chief Justice of the highest court of last resort in civil matters in that province, or, in any case where the dispute did not arise in one province only, the Chief Justice of the Supreme Court of Canada, shall as soon thereafter as possible appoint a fit person to be a member of the Board; and such member shall be deemed to be appointed on the recommendation of the said party."

Section 4 of the said section eight is hereby repealed and the following substituted therefor:

"(4) If the members chosen on the recommendation of the parties fail or neglect to duly make any recommendation within the said period, or such extension thereof as the Minister on cause shown grants, the Chief Justice of the province in which the dispute arose, or, if there be no such Chief Justice in that prorvince, the Chief Justice of the highest court of last resort in civil matters in that province, or, in any case where the dispute did not arise in one province only, the Chief Justice of the Supreme Court of Canada, shall as soon thereafter as possible appoint a fit person to be a third member of the Board, and such member shall be deemed to be appointed on the recommendation of the other two members of the Board."

(3) The following is hereby added to the said section 8 as subsection 6 thereof:

In subsections 2 and 4 of this section the expression, "Chief Justice" includes any judge duly authorized as and for the Chief Justice."

Hon. Mr. BELCOURT: The effect of that is to substitute the Chief Justice for the Minister?

Hon. W. B. ROSS: That is the whole thing.

Hon. Mr. DANDURAND: To remove the responsibility from Parliament.

The proposed amendment of Hon. Mr. Webster was negatived: yeas, 14; nays, 16.

Hon. Mr. CASGRAIN: I move that section 59 of the Industrial Disputes Investigation Act, 1907, be repealed, so that we will not have this fake thing.

Right Hon. Sir GEORGE E. FOSTER: So that we will have no penalty?

Hon. Mr. CASGRAIN: There will be no penalty for the workingmen. The penalty will remain on the employers.

The proposed amendment of Hon. Mr. Casgrain was negatived.

The preamble was agreed to.

The title was agreed to.

The Bill was reported without amendment.

WAR REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 142, an Act to amend the Special War Revenue Act, 1915.

He said: I move the second reading of this Bill, and we will have explanations of each item in Committee.

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

TRUST COMPANIES BILL

SECOND READING

Bill 173, an Act to amend The Trust Companies Act, 1914.—Hon. Mr. Dandurand.

LOAN COMPANIES BILL

SECOND READING

Bill 174, an Act to amend The Loan Companies Act, 1914.—Hon. Mr. Dandurand.

INSURANCE BILL

SECOND READING

Bill 175, an Act to amend The Insurance Act, 1907.—Hon. Mr. Dandurand.

PRIVATE BILL

FIRST READING

Bill 60, an Act to incorporate the Life Underwriters of Canada.—Hon. Mr. Lynch-Staunton.

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

THE SENATE

Thursday, June 19, 1924.

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

Prayers and routine proceedings.

JUDGES BILL

FIRST READING

Bill 65, an Act to amend the Judges Act.—Hon. Mr. Dandurand.

PRISONS AND REFORMATORIES BILL

FIRST READING

Bill 120, an Act to amend the Prisons and Reformatories Act.—Hon. Mr. Dandurand.

NATIONAL COAL RESERVE IN ALBERTA

INQUIRY AND DISCUSSION

Hon. RUFUS H. POPE rose in accordance with the following notice:

That he will call the attention of the Government to the extraordinary rumours and information, of apparently undoubted authorities, re the National Coal Reserve in Alberta, commonly known as the Hoppy Mines, covered by the Isenburgs lease, also over an extended area, since included in the same by the Government, and will inquire from the Government for any and all particulars affecting any locations within the area, by whom, and when made, whether the parties were reinstated by paying up their arrears and how long the arrears had been extended, if any new locations have been made, and why, when, and by whom, if there is any correspondence between the Government of Canada and that of Washington, U.S.A., if so, the nature of it, insofar as it is connected with the Isenburgs lease, located within the National Coal Reserve of Alberta?

He said: Honourable gentlemen of the Senate, since yesterday I have had some conversation with the honourable leader of the Government in this House in reference to the subject-matter that I proposed to bring to the attention of the Government and the Senate. It has been intimated to me that possibly there may be some good reason why publicity would not be in the best interests of Canada and of this whole reserve to which I wish to draw your attention. I have just now suggested to the honourable leader of the Government—I do not know whether or not

the suggestion meets with the approval of the Senate—that there might be formed a small Committee, before whom all the information pertaining to the leases, and brought up to date, might be laid in a confidential manner. If the honourable leader of the Government agrees to that suggestion, I think it would be the best solution. It might be preferable to giving much publicity to this matter. I have only one object in view, and that is the creation of a permanent national reserve in those great coal areas commonly known as the Hoppe Mines. I may say that since I first brought this subject up in the Senate, and even since last year, it has been found that the value of that reserve and its immensity are far beyond anything that we knew of. I can make the statement, which I think is supported by the Geological and Mines Departments of Canada, that it is the largest anthracite and semi-anthracite coal area in the world; that the Pennsylvania or any other coal deposit in the world cannot be compared in quantity to this one. We realize, I suppose, that we are and shall always be in a northern climate, and the constant need of fuel is a matter that is vital to us all. Located as it is 2,500 miles from Eastern Canada, it is important that that coal be placed at the disposal of the people of Canada at the lowest possible cost. Now, if there is any possibility of its becoming the property of speculators and of their re-selling it to real coal operators for many millions of dollars, there is a danger that for all time to come the people of Canada will be obliged, in order to be fair, to allow those purchasers to make a proper dividend upon the original price that they pay to the speculators. That is what will happen unless this is made an absolutely closed area.

I suggest to the honourable leader of the Government that he agree to the appointment of a Committee to whom could be submitted matters of a more confidential character than I would be at liberty to discuss in this House. That Committee could bring the information in reference to this property up to date. Does the honourable gentleman agree to that?

Hon. Mr. DANDURAND: I asked the honourable gentleman yesterday to postpone his Inquiry until to-day, because I had not had time to examine the report which I had in hand, and my information did not cover the whole of the Inquiry. Now I find that I can give my honourable friend an answer to his inquiry. I shall lay on the Table of the House the information which has been furnished me by the Interior Department, and which covers the principal part of the Inquiry. Of course, I have no data covering the "rumors and information." I can only deal with facts. The second part of the notice reads:

and will inquire from the Government for any and all particulars affecting any locations within the area, by whom, and when made, whether the parties were reinstated by paying up their arrears and how long the arrears had been extended, if any new locations have been made, and why, when, and by whom.

I have an answer for all that part of the Inquiry. I was unaware, but have learned from my honourable friend, that the figures I am laying on the Table of the House just now were presented in the House of Commons on the 15th of May; but the answer which I have is perhaps a fuller one, and it covers that part of the Inquiry which I have just read:

The National Coal Reserve, to which reference is made, appears to be that comprised in Townships 55 to 59, inclusive, Ranges 7, 8 and 9 west of the 6th Meridian, in the Province of Alberta.

This reservation was first created by Order in Council dated the 1st July, 1919, P.C. 1369, and included the area comprised in eight coal mining leases which stood recorded in the names of C. A. Barnard and A. T. Shillington, which leases were cancelled.

—As honourable gentlemen know, after an Inquiry in the Senate.

This reserve was subsequently increased in area by Order in Council dated the 6th October, 1919, P.C. 2044, so as to include the available coal mining rights, the property of the Crown, in Townships 55, 56, 57, 58 and 59, Ranges 7, 8 and 9 west of the 6th Initial Meridian.

At the time the reservation was originally created the following coal mining leases, comprising lands included in the above townships, were in force, and as these coal mining rights were not at the time the property of the Crown, they were not included in the reservation:—

Lease No.—Area—Date of Issue—Lessee.

917, 1,280 acres, Oct. 19, 1912, J. G. A. Campbell.
1048, 640 acres, June 10, 1913, Adam Joachim.
1208, 640 acres, May 22 1914, C. M. Abbott.
1283, 1,280 acres, May 22, 1914, R. J. Mackenzie.

These leases now stand recorded in the name of Canadian Coal Fields, Limited.

On the 5th June, 1919, prior to the date upon which the reservation was created, three applications were received in the Department of the Interior for leases of coal mining rights within the townships above described, the available portions of which townships were subsequently included in the reservation.

These applications, however, had not been finally dealt with when the Order in Council of the 6th October following was passed, but an expression of opinion was obtained to the effect that the Order in Council creating the reserve did not affect applications which had been made prior to the date of such Order, and that it was therefore within the discretion of the Minister to decide whether the applications should be refused or accepted. The Minister agreed with the opinion expressed that the Department had no other course but to consider any application filed in strict conformity with the regulations prior to the date upon which the above reservation was created, and under this agreement the following leases were issued:—

Lease Number—Area—Application received—Date of lease—Lessee.

1,610, 1,280 acres, June 5, 1919, Feb. 20, 1920, Edwin Joachim.

1,674, 1,280 acres, June 5, 1919, Feb. 20, 1920, John Moyes.

1,675, 1,180 acres, June 5, 1919, Feb. 20, 1920, L. R. Wolaver.

These three leases now stand recorded in the name of the Blue Diamond Coal Company, Limited.

The reservation created by the Order in Council of the 6th October, 1919, above referred to, contains a total area of approximately 290,000 acres, and the total area within the townships comprised in that reservation which has been leased for coal mining purposes, the leases of which are still in force, is 7,580 acres.

The coal mining rights included in the seven leases above enumerated were not the property of the Crown on the date upon which the reservation was created, as they had been disposed of under lease or applied for in accordance with the provisions of the Coal Mining Regulations prior to the date upon which the reservation was created.

While the rental of the seven leases referred to has been in arrears from time to time not any of these leases have been cancelled, and they have been continuously in force since the date of issue, so that no reinstatement has taen place.

Attached hereto is a schedule showing the periods during which the rental of the above leases was in arrears and the amount of the arrearage in each case.

Department of the Interior

Mining Lands Branch

Lease No. 917.—Canadian Coal Fields Limited

In default from	In the sum of
October 19, 1913 to January 14, 1914..	$1,280 00
January 14, 1914 to November 18, 1914.. ..	25
October 19, 1914 to May 17, 1915..	1,280 00
October 19, 1915 to September 29, 1916.. ..	1,280 00
October 19, 1916 to June 16, 1917..	1,280 00
October 19, 1917 to December 26, 1918.. ..	1,271 26
October 19, 1918 to December 26, 1918.. ..	1,280 00
December 26, 1918 to January 16, 1919..	87 32
January 16, 1919 to April 15, 1919..	8 38
October 19, 1919 to November 21, 1919..	1,280 00
November 21, 1919 to April 9, 1920..	672 72
April 9, 1920 to July 28, 1920..	276 32
October 19, 1920 to November 20, 1920.. ..	1,280 00
November 20, 1920 to December 10, 1920..	7 85

Lease No. 1048.—Canadian Coal Filds Limited

In default from	In the sum of
June 10, 1915 to July 4, 1916..	$ 640 00
July 4, 1916 to September 29, 1916..	34 10
June 10, 1916 to September 29, 1916..	640 00
June 10, 1917 to November 21, 1919..	640 00
November 21, 1919 to April 9, 1920..	413 55
June 10, 1918 to July 28, 1920..	640 00
June 10, 1919 to July 28, 1920..	640 00
June 10, 1920 to July 28, 1920..	640 00

Lease No. 1208.—Canadian Coal Filds Limited

In default from	In the sum of
May 22, 1915 to November 8, 1915..	$ 640 00
May 22, 1916 to September 29, 1916.. ..	640 00
May 22, 1917 to November 21, 1919..	640 00
November 21, 1919 to April 9, 1920..	415 21
May 22, 1918 to July 28, 1920..	640 00
May 22, 1919 to July 28, 1920..	640 00
May 28, 1920 to July 28, 1920..	640 00

Lease No. 1283.—Canadian Coal Fields Limited

In default from	In the sum of
May 22, 1915 to April 18, 1916..	$1,280 00
April 18, 1916 to May 20, 1916..	58 22
May 22, 1916 to March 2, 1917..	1,280 00
March 2, 1917 to November 21, 1919.. ..	52
May 22, 1917 to November 21, 1919..	1,280 00
November 21, 1919 to April 9, 1920..	830 96
May 22, 1918 to July 28, 1920..	1,280 00
May 22, 1919 to July 28, 1920..	1,280 00
May 22, 1920 to July 28, 1920..	1,280 00

Lease No. 1610.—Blue Diamond Coal Company Limited

In default from	In the sum of
February 20, 1921 to May 4, 1921..	$1,280 00
May 4, 1921 to December 10, 1921..	964 05

Lease No. 1674.—Blue Diamond Coal Company Limited

In default from	In the sum of
February 20, 1921 to May 4, 1921..	$1,280 00
May 4, 1921 to December 10, 1921..	964 05

Lease No. 1675.—Blue Diamond Coal Company Limited

In default from	In the sum of
February 20, 1921 to May 4, 1921..	$1,180 00
May 4, 1921 to December 10, 1921..	864 26

The only question arising in my mind is why this information has not been brought up to the present date. The statement covers the period up to December, 1921. If any honourable member of this Chamber is interested in knowing how these leases stand to-day I can easily obtain the further data.

Attached to the statement is a very interesting map showing in red what are known as the Hoppe leases, in the centre of the reservation, which is outlined by a yellow line. Outside what constituted the Hoppe leases are indicated the areas covered by these seven leases, which, with the exception of one that slightly touches the Hoppe area, are quite a distance from it. Over the red lines appear black lines indicating the Barnard-Shillington lease, which was cancelled. The map shows the whole area which is reserved not merely to be dealt with by Order in Council, as it was before last Session, but to be disposed of only by Act of Parliament. As to the areas covered by the present leases, I do not know but what they would revert to the public domain and fall under the Act of last Session if for some good reason the leases were cancelled.

As to the last part of my honourable friend's inquiry—

If there is any correspondence between the Government of Canada and that of Washington, U.S.A.; if so, the nature of it, in so far as it is connected with the Isenburgs lease, located within the National Coal Reserve of Alberta.

—I can only inform my honourable friend that the Government is not in a position at the present time to answer that part of the inquiry.

The statement I have presented covers the inquiry as to the situation regarding that immense area that has been reserved, and if the honourable gentleman so desires I will obtain information as to the standing of those leases to date; that is to say, I will ascertain if there is anything due upon them at the present time. My honourable friend may wish to make a further statement, but I do not think he would need a special committee in order to obtain additional information; because all that he can ask for, I can bring to the Senate, except perhaps any correspondence that may have passed between a foreign Government and our own, which correspondence could not be brought before Parliament without the consent of the foreign Government.

Hon. Mr. POPE: Honourable gentlemen of the Senate, after listening to the honourable gentleman, I am more convinced than ever that in the efforts of this honourable body to secure for Canada a closed reservation of that whole area we have been played with; that we have not had laid before us from time to time the absolute facts as they existed. The Committee that investigated this question last year was not informed that there were within that area seven locations held by private parties. Our effort from the beginning has been to make a National Reserve. If it is true that the companies, whoever they are, who have been holding those leases were in arrears and were allowed to pay up their arrears, if it is true that they were dealt with more leniently than Isenberg, an American citizen, and on a different basis, then I say you will have very serious complications and this country is liable to lose that entire reserve, or the essential parts thereof. There is no use in trying to mislead us any longer in this matter. I think a body like the Senate of Canada is entitled to be dealt with fairly, and there should be no attempt to deceive or mislead us, as there has been. Therefore I do not place the slightest confidence in the report of the Department. There are political reasons, there are financial reasons, there are reasons of national import, for misguiding us in every attempt we make to get at the bottom of this matter. Last year we were told in the Committee that we could not get from the Department of Justice a definite statement that the Isenberg people, if they proceeded with their fiat, could not establish their rights to that property. When we could not get that assurance, we passed retroactive legislation. As you are aware, a Bill was introduced for that purpose; but if in doing that we were at the same time dealing with the seven or eight claims owned by other corporations inside the same territory, in a manner different from the way in which we were dealing with an American citizen, complications of a most serious character are liable to arise. We well know what national feelings are. In the dealings between two nations like the United States and Canada, living side by side along a 4,000-mile boundary, questions of great import will, now and again, come up for consideration, and when we think we are going to have a free hand the Americans will say: "What about the settlement of this Isenberg claim?" It may be one year, it may be five years from now, but they are not going to lie down. I noticed in the papers only yesterday that an appeal is being made in England by the agents of the organization, on the ground that we are proceeding unconstitutionally. I have been told, honourable gentlemen, that there has been an extended correspondence, and that a very serious protest has been made. I cannot say. We, as Canadian citizens who are deeply interested in this property, are not allowed to know. We are forbidden by international courtesy from knowing anything about the property that we should own. That is practically what the honourable gentleman has told me, and told this House—that it is of no use for me to proceed further, because we cannot have the privilege of learning confidentially what our situation is. He asks me to trust the Government, and trust the Department who have been deceiving us, misleading us, and not giving us the facts as we should have them. The Senate of Canada is asked to accept the situation holus bolus instead of proceeding further in the interest of Canada.

Now, let us consider for a moment the present Minister of the Interior. When this question was first up in this House it was suggested by myself that the Bill regarding that reserve should provide that no portion of the area could be disposed of except with the consent of Parliament. There was a conference on this question and some others between the two Houses. I was not a member of that conference, but was afterwards told that the honourable the Minister of the Interior considered it a reflection upon his integrity and honour that we should ask for that restriction. Therefore it was not insisted upon by the senatorial end of the delegation. Afterwards I observed that in the House of Commons the leader of the Opposition asked the Prime Minister if it was decided that this area should remain

as a National Reserve and that there should be no further granting of licenses there.

Now, there have been arrears. I need not read all those arrears. Honourable gentlemen will find them in that document which has been laid on the Table. They were placed before the House of Commons on the 15th of May. There have been arrears and arrears, but the Government did not take the opportunity of foreclosing those arrears and cleaning up that property for Canada. On the contrary, they waited for many months or years, or whatever time was necessary, in order to receive the arrears from the pets, whoever they were.

Do honourable gentlemen think for one moment that the United States of America will stand for that treatment? What is going to be the result? They are going to win. Honourable gentlemen, I warn you, they are going to win in spite of every effort this House has made to conserve that valuable property. They will eventually win, and they will own that property, and will sell it for many millions of dollars, and the people of Canada will in the long run pay the price that those people pay for it.

Hon. Mr. SCHAFFNER: What do you mean by they?

Hon. Mr. POPE: I mean that the licensees will win; I mean that the United States citizens will win; I mean that the fellows in Toronto and other places will win; I mean that the whole gang from the international line up and down will win. I want to make it inclusive so that nobody will be left out; and when they win we will pay the piper.

Now, I suggest, and I think it is a reasonable and proper suggestion, that we form a Committee to bring our information up to date. I would much prefer to do that, instead of taking the time of this House in reading a whole lot of stuff that appears in the press from time to time. I think it is only fair for the leader of the Government to accept my suggestion that such a Committee be formed.

Hon. Mr. DANDURAND: My honourable friend does not need a Committee. The information as to the situation of those seven leases is brought up to the end of December, 1921, and I will see that it is brought up to the 15th or 20th of June, 1924; and when I have done that, my honourable friend will know all that there is concerning those seven leases, that is, that the parties are in arrears or they are not. If they are not in arrears, then my honourable friend will draw his own conclusion; but I do not know what he means when he speaks of what will happen if we do not act. Of course, he is not through speaking, and he will let us know what he would suggest to further protect the interests of Canada, and in what way they are imperilled.

Hon. Mr. POPE: I do not possess the whole wisdom of the world, unfortunately for me. I propose that a Committee shall conduct this investigation. I think that is a wise and reasonable proposition, and as we bring before us members of the Department and place them under oath we will find out the truth about the matter. Let us find where the nigger in this fence is.

Hon. Mr. DANDURAND: But where is there any nigger?

Hon. Mr. POPE: Money could not have been accepted for arrears on these leases in a public domain that had been made a reserve, since it was made a reserve, without there being a nigger in that fence. There is no question about that.

Hon. Mr. DANDURAND: My honourable friend realizes, when he looks at this document, that leases were granted prior to the reservation being made by Order in Council in 1919.

Hon. Mr. BRADBURY: I think you will find, honourable gentlemen, that applications had been made, but I do not think any grants were made.

Hon. Mr. DANDURAND: Yes, I have read it, that applications had been made and assented to, and leases granted, prior to the Order in Council of October, 1919. Those three leases for which application had been made are referred to in this way in the memorandum laid on the table:

These applications had not been finally dealt with when the Order in Council of the 6th October following was passed—

My honourable friend from Manitoba is right.

—but an expression of opinion was obtained to the effect that the Order in Council creating the reserve did not affect applications which had been made prior to the date of such Order, and that it was therefore within the discretion of the Minister to decide whether the applications should be refused or accepted. The Minister agreed with the opinion expressed that the Department had no other course than to consider any application filed in strict conformity with the regulations prior to the date on which the above reservation was created, and under this agreement the following leases were issued:

Application Received	Date of Lease	Lessee
5th June, 1919	20th Feb. 1920	Edwin Jochin.
5th June, 1919	20th Feb. 1920	John Moyes.
5th June, 1919	20th Feb. 1920	L. R. Wolaver.

We have a statement indicating the situation of each of these leases, and the arrears, year by year, from October, 1913, to December, 1921, with a column giving the arrears in each case. I will procure for this Chamber a similar statement for the last two years, 1922 and 1923, even to this date, in order that we may know how the leases stand in the books of the Department at this moment. But I apologize to my honourable friend for interrupting him; I have not yet understood what he would like to investigate in connection with the granting of those leases that took place in 1919.

Hon. Mr. POPE: I would like to know under what authority the Government proceeded to grant these licenses after the matter was closed, simply because application was made. They had no right to do so. That was a national reserve. The Minister had discretion and took responsibility, and if he took the responsibility of violating the very articles of faith that we signed in this House I want to know it.

Hon. Mr. DANDURAND: I would suggest to my honourable friend that he postpone his remarks until the Minister who at that time was at the head of that Department, and who is a member of this Chamber, can be present. It seems that we owe it to the honourable the member for Calgary (Hon. Sir James Lougheed) to be here, if he was the Minister who was then responsible for the administration of the Interior Department.

Hon. Mr. POPE: I do not know who is responsible, and it does not make any difference to me what his political complexion is, or where he comes from; that is not what I am after. I wish I could only get it into the head of the leader of the Government—which is the Opposition in this House, thank God—that I am making an effort to conserve this property for the people of Canada, and he has just laid on the Table a document showing that an opportunity was taken to violate the very thing we thought we were doing to conserve it. This document shows that every hour we spent on this proposition was wasted. The newspapers in the streets have a story of high graft, of deception, of ill-treatment of an alien Government, of a United States citizen, and all that. The street is full of it, honourable gentlemen. When I suggested an investigation of these leases a year ago, the honourable gentleman did not see any necessity for a Committee. but he afterwards discovered that necessity, and the Committee found good reasons for sitting.

In my humble opinion there is just as good reason now to renew that investigation and bring it up to date, not under the responsibility of myself or any other member, but under the responsibility of a Committee of this House. I think I am justified in moving that a Committee be struck for the purpose of bringing this information up to date, and therefore, if I am in order, I move that a Committee be appointed for that purpose.

Hon. Mr. DANDURAND: Unfortunately for my honourable friend, he is limited within the four corners of his notice of inquiry.

Hon. Mr. POPE: I know that. I knew you would raise that point.

Hon. Mr. DANDURAND: My honourable friend should also have some regard for the general interests of Canada and the good standing of Canada in the comity of nations. Whatever the rumours in the street may be, they cut very little figure in the eyes of the outside world; but what a member of this Chamber says carries infinitely greater importance. If my honourable friend wants to give a notice of inquiry and investigation for anything that the late Government or the present one has done, I am very sure that the Senate of Canada will answer in the affirmative; but he will have to take the responsibility for any accusation that is involved in his inquiry.

Hon. Mr. BRADBURY: Honourable gentlemen, I would like to say a few words—

The Hon. the SPEAKER: I draw the honourable member's attention to the fact that this is all irregular. The honourable leader of the Government has spoken in answer to this question, and that, I consider, concludes the debate. If the honourable gentleman wants to move a motion, the proper course is to give notice of a motion, which will be placed on the Order Paper and can be discussed on another day.

Hon. Mr. BRADBURY: Do I understand that the ruling is that the debate is closed?

The Hon. the SPEAKER: If the honourable gentleman wishes, I will read the rules:

36. A reply is allowed to a senator who has moved the second reading of a Bill, or made a substantive motion, but not to one who has moved an amendment, the previous question, an adjournment during a debate, a motion on the consideration of Commons' amendments, or an instruction to a committee.

37. In all cases, the reply of the mover of the original question closes the debate. It is the duty of the Speaker to see that every senator wishing to speak has the opportunity to do so before the final reply.

I did not observe that the honourable gentleman made any motion before the honourable leader of the Government rose to reply.

Hon. Mr. BRADBURY: I did not make a motion, but, if necessary, I will move the adjournment of the House. I have a few words to say.

Hon. Mr. DANDURAND: I think my honourable friend would rather be in order by giving a notice of motion, because on an inquiry, when the answer is made, the discussion cannot be continued on a motion for adjournment.

Hon. Mr. ROBERTSON: I understand my honourable friend from Compton (Hon. Mr. Pope) is proposing to give notice of a motion that will re-open this subject for further debate, and on that occasion the honourable member from Selkirk (Hon. Mr. Bradbury) would probably have an opportunity to say all that he desires to say.

THE ST. LAWRENCE WATERWAY

MOTION AND DISCUSSION

Hon. J. D. REID moved:

Resolved that the Senate is of the opinion that it is in the public interest that immediate action be taken by the Government of Canada for negotiations with the United States Government for the development of the St. Lawrence waterway to provide facilities for transporting our products to Ocean Ports at least possible cost.

He said: Honourable gentlemen, the motion that stands in my name is with reference to the improvement of what is known as the St. Lawrence Waterway. This is not a new matter in so far as Canada is concerned. It has been before the people for many years. There is an impression that it is a local question that affects only eastern Ontario, or perhaps Ontario as a whole. I will endeavour to show that it is more important to other parts of Canada than it is to Ontario.

I do not believe that any great part of the people of Canada really know what our inland waterway consists of. The distance from the city of Port Arthur to Montreal is 1,214 miles; from Chicago, 1,240 miles. That great waterway is made up of Lake Superior, 383 miles long; Lake Huron, 223 miles long; Lake Michigan, 321 miles long; Lake St. Clair, 34 miles long; Lake Erie, 236 miles long; Lake Ontario, 190 miles long; and the St. Lawrence River from Kingston to Montreal, 160 miles long.

At the present time vessels carrying about 600,000 bushels of grain, vessels 800 feet long by 60 feet wide, carry grain from Port Arthur and Fort William to Buffalo, a distance of about 850 miles. From Buffalo or Port Colborne to Montreal the grain is carried in vessels of 75,000 bushels capacity. So that it takes 8 vessels to carry the cargo of one that brings it to Port Colborne or Buffalo.

The Welland Canal is now being enlarged, and will be completed in three or four years. When it is completed, vessels 800 feet long, that now come only as far as Port Colborne and Buffalo, will be able to come down with safety to a point four or five miles east of Prescott, which is within a hundred miles of the city of Montreal. Between the town of Prescott and Montreal the water transportation system is made up of several canals—the Lachine, the Soulanges, the Cornwall, the Farran's Point, the Rapide Plat, and the Galops, or 45 miles of canal.

That is how our waterway system is now composed.

Strenuous objection is being raised in Canada against our joining with the United States Government and allowing them to spend any money for improvement in that portion of the waterway now under consideration. The reason for that opposition is that 50 or 60 miles in the province of Quebec, out of the total of 1,214 miles, is not international water; that a portion of the province of Quebec on the south side of the St. Lawrence river is all Canadian territory. The question is therefore asked, why should we let the United States Government spend any money on this waterway? My answer to that is that the United States Government has just as much right as we have to use that waterway for transportation purposes. I make that statement because a Treaty made in 1871 between Great Britain and the United States contains these two clauses.

The navigation of the River St. Lawrence, ascending and descending from the 45th parallel of north latitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce of the citizens of the United States, subject to any laws and regulations of Great Britain or of the Dominion of Canada, not inconsistent with such privilege of free navigation.

Another clause in the Treaty is as follows:

The Government of the United States may suspend the right of carrying granted in favour of the subjects of Her Britannic Majesty under this article, in case the Dominion of Canada should, at any time, deprive the citizens of the United States of the use of the canals in the said Dominion on terms of equality with the inhabitants of the Dominion as provided in Article xxvii.

Therefore, honourable gentlemen will see that, so far as the navigation of the St. Lawrence is concerned, the United States have

exactly the same rights as Canada has. If so, why should we build all the canals at our own cost when they are willing to join with us and pay their proportion of the cost? Therefore I hope that the impression existing among the Canadian people will be dispelled, and opposition to this proposal will be eliminated.

So far as this canal system is concerned, let me tell honourable gentlemen what has happened since it was commenced. I will start at the eastern end—the St. Lawrence Ship channel being that portion of the River St. Lawrence between Quebec and Montreal. In 1851 that channel was 8½ feet deep; in 1855 it was deepened to 10½ feet, in 1866 to 20 feet, in 1878 to 22 feet, in 1882 to 25 feet, in 1888 to 27½ feet, in 1899 to 30 feet, and in 1910 to 35 feet, which it now is. I think every honourable gentleman in this House will agree with me that that work was done in the interest of Canada and in order to extend water transportation from the ocean as far west as we possibly could. Now, take the section between Montreal and the West. The first Lachine canal was built in 1825 with 4½ feet of water; in 1848 it was brought to 9 feet; in 1885 to 14 feet; and the other canals namely, Soulanges, Cornwall and Williamsburg, the same; but the work had not been completed before it was found that they were too small. The Soo canal was enlarged four times, until at the present time it will accommodate vessels 900 feet long and 60 feet wide.

What has been accomplished by the enlargement of these canals? To my mind Western Canada—that is, the prairie provinces—could never have prospered as they have done if they had been dependent upon transportation by rail. The very fact that grain could be transported by water from Port Arthur and Fort William to Montreal is what has made the western provinces grow. Each and every year operations have increased. I will take only last year, so as not to delay the House too long. From Port Arthur and Fort William there were shipped last year in vessels 244,157,212 bushels of wheat, and of other grain 56,115,002 bushels, or a total of 300,272,214 bushels of grain. Of the wheat, 119,000,000 bushels was shipped to Canadian ports for export and home consumption, and 124,000,000 bushels to United States ports for export, practically half via Canadian ports and half via United States ports. Of the other grains 36,000,000 bushels went to Canadian ports and 19,000,000 bushels to United States ports. Taking all grains, 155,886,926 bushels went to Canadian ports for export and home consumption, and 140,384,788 bushels went to American ports for export.

Let me now refer to the rates, and show how they work out. The rate last year from Buffalo to New York was 9 cents per bushel. The rate from Port Colborne and Buffalo to Montreal, the points where grain from Port Arthur and Fort William is transhipped, is 6.41 cents per bushel, and the rate from Port Arthur and Fort William to Buffalo and Port Colborne was 3.81 cents per bushel on wheat. Therefore a vessel carrying say 400,000 bushels of wheat from Port Arthur or Fort William to Buffalo or Port Colborne, a distance of 875 miles, received 3.81 cents per bushel, or $15,240 for that cargo. The smaller vessels of 75,000 bushels capacity into which the grain was transhipped received 6.41 cents per bushel, of $25,640 for carrying the cargo 350 miles from Port Colborne to Montreal. So I have no hesitation in saying that if this waterway is completed there will be a saving of at least 4 cents per bushel. In a report made by the International Joint Waterways Commission the saving was put at a much higher figure. But if we saved 4 cents per bushel, we would save $16,000 on that 400,000-bushel cargo of wheat. I have already stated that 300,000,000 bushels of grain were shipped from Port Arthur and Fort William by vessels to eastern points. If we say that 50,000,000 bushels are used in Ontario and other Eastern Provinces and put on rail at Georgian Bay ports, that would leave 250,000,000 bushels, which means that there would be a saving of $10,000,000 per year in freight alone to the people that produce and ship the grain in the Western Provinces.

Hon. Mr. SCHAFFNER: Has the honourable gentleman any figures as to how much of the grain was shipped by the railways at that time?

Hon. Mr. REID: I think honourable gentlemen who understand the question and those who come from the West will agree with me that practically no grain goes by rail in the summer. I am referring to what was shipped by water from Port Arthur and Fort William last year only, as this is a water transportation problem alone.

Hon. Mr. LYNCH-STAUNTON: Did the honourable gentleman say that 155,000,000 bushels went by water from Port Arthur to Montreal?

Hon. Mr. REID: No, I say it went by Canadian ports.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman's figures are not borne out, because if it went by rail from Midland his figures would be wrong.

Hon. Mr. REID: I say it went via Canadian ports. A great deal of grain does go by vessels to Midland, and from there by rail to Montreal, and the same may be true of Goderich and some other Georgian Bay ports; but I say that if the waterway were completed, the grain would go right through to Montreal in the vessels it was loaded in, which cannot be done now because they are too large and it must be transhipped at Port Colborne or Georgian Bay ports.

Hon. Mr. LYNCH-STAUNTON: What does the honourable gentleman say is the carrying capacity of the vessels?

Hon. Mr. REID: I say that a vessel loading at Fort William with 400,000 bushels of grain would go right through to Montreal—or to Liverpool for that matter. But there are vessels carrying 600,000 bushels of grain now operating on the Great Lakes. This is not a question involving a canal, but simply the building of five dams to raise the water level.

But there is a further reason for this. The distance from Port Colborne to Liverpool is exactly the same as the distance from New York to Liverpool, and the through rate from Port Arthur and Fort William would be much lower than the New York rate when Liverpool is brought so much nearer to Port Arthur and Fort William.

When I spoke of the Great West, I was speaking only of last year's crop. But we must remember that the Northwest is going to grow very fast. I understand that there are some 15,000,000 acres where the sod has not been turned, lying right alongside railways. The great Northwest must grow, and if it grows in the future as it has grown in the past the people of that portion of the country must have some better and cheaper mode of transportation than they have at the present time for getting out their grain, and thus further assisting in developing more of our natural resources.

Hon. Mr. SCHAFFNER: The Hudson Bay.

Hon. Mr. REID: Well, if you want that too, I have nothing to say.

Hon. Mr. GRIESBACH: Has the honourable gentleman considered the possibility of a reduction of these figures by the amount exported from British Columbia ports?

Hon. Mr. REID: In my opinion the crop of Alberta will very materially increase, and the export trade from Alberta will consequently very materially increase. No doubt a great deal of it will go by British Columbia ports because of the shorter haul to the water; but Saskatchewan and Manitoba will also increase in population and their crops will increase too. I would think that in a short time the increase in the production of those provinces would maintain the exports from Fort William and Port Arthur at their present level.

Now, as to the advantages of this route. Of course, Ontario would naturally have a greater advantage in shipments to ocean ports. That advantage, however, would not be as great as the advantage to other provinces.

But there is another feature. Ontario is really the only province that is in danger when there is a coal shortage. If this waterway is enlarged, we will be able to get through cargoes of coal from Nova Scotia, New Brunswick and England during about eight months in the year, which would mean that instead of paying money to a foreign country for bituminous coal, the money would remain in this country. In addition to that we are now at the mercy of the United States for our hard coal. If we can get 8,000 or 10,000 or 12,000 tons of coal to Ontario, or through to Port Arthur, if necessary, that would provide a return cargo for the vessels and would assure us of a coal supply.

The return cargo of coal will also tend to lower the rate on grain. It is well known that every pound of coal used in Ontario must come from outside that Province.

Then of course there is a further advantage to Ontario. The raw materials that our manufacturers require are brought from foreign countries, and if they can be brought to the place where the industry is situated it will help that industry to compete with foreign manufacturing. It will of course bring new industries into the Provinces of Ontario and Quebec.

This question was taken up by the Governments of Canada and the United States in 1920. An agreement was made between the United States and Canada that a Joint Commission should be appointed for the purpose of investigating this matter. The Commission was appointed by both Governments on January 21, 1920. The representatives of Canada were Mr. Magrath, Mr. Powell and Sir William Hearst. Those gentlemen examined the question very thoroughly and made a report, which would be interesting reading for any person who takes an interest in this matter. In that report they say:

It would be convenient to set forth at this time the conclusions reached by Messrs. MacElwee and Ritter as the result of their studies of the economic aspects of the proposed waterway. They are as follows:

I will read a few of these conclusions, because I think they are very important:

1. A channel 25 feet deep at low water in the St. Lawrence River between Montreal and Lake Ontario will enable the greater proportion of vessels engaged in foreign trade, and practically all vessels engaged in general coastwise trade, to enter the Great Lakes. The figures show that the ocean freight vessel of average tonnage has a loaded draft of about 21 feet.

2. At our principal ocean ports, scarcely 1 per cent of the vessels utilize the full available depth, while vessels on the Great Lakes customarily take advantage of every foot. A channel 25 feet deep at low water into the Great Lakes could be used by nearly all vessels now calling at the 30-foot harbours of the Atlantic, Gulf and Pacific coasts.

3. The study of vessels passing through the Panama Canal discloses the fact that the vessels operating on this route between the important ports of the world have an average draft of 21 feet.

Hon. Mr. LYNCH-STAUNTON: These vessels do not carry 400,000 bushels.

Hon. Mr. REID: They could if they were constructed broader and longer. Vessels 800 feet long and 60 feet breadth have a carrying capacity of 600,000 bushels.

The greater proportion of them could have delivered their cargoes to lake ports on a 25-foot channel, and nearly all of them on a 30-foot channel. Only 3.3 per cent of the vessels passing through the Suez Canal since 1912 have had drafts as great as 27 feet. At New York, which is used by the largest vessels in the world, only 4.4 per cent drew 30 feet or more during the first six months of 1914.

4. A channel of 30 feet deep will accommodate 90 per cent of the vessels customarily engaged in world trade.

The question was asked:

Question. What traffic, both incoming and outgoing, in kind and quantity, is likely to be carried upon the proposed route both at its inception and in the future, consideration to be given not only to present conditions, but to probably changes therein resulting from the development of industrial activities due to availability of large quantities of hydraulic power?

Answer. To this question also it is impossible to give a specific answer, in the absence of definite information as to all the factors that will enter into the problem. The commission has brought together authoritative information as to the existing traffic between the tributary area and overseas points as well as between the same area and coastwise points on this continent, and has reached the general conclusion that sufficient traffic will seek the new water route, irrespective of new traffic created as the result of the opening of that route, to justify its construction. The commission has so much confidence in the virility and resourcefulness of the people of these two countries that it is convinced the traffic available for the new waterway will rapidly increase with the further development of the area tributary thereto, and that the creation of new hydraulic power in connection with the waterway will stimulate industrial growth both in manufactures and transportation.

I have dealt with this question as it relates to transportation. I am convinced that the farmers of Western Canada would save millions of dollars annually, in the difference in freight alone, on what they produce, and it would amount to more than the interest on Canada's share of the money that would have to be invested.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman explain why the ship-owners would reduce their rates?

Hon. Mr. REID: I will tell the honourable gentleman. When vessels carried grain from Port Arthur to Montreal before the Soo Canal was enlarged they charged all the way up to 25 cents a bushel. It takes about the same crew and about the same quantity of fuel to run a 400,000 bushel vessel as it does to run a smaller one; or, at any rate, it takes only a little larger crew and a little more fuel. In my judgment, the reason is because a vessel carrying 400,000 bushels can do it at a much lower rate, and competition as well would keep freight rates to the lowest possible level. A dozen different companies are now operating to Buffalo from Port Arthur and Fort William, and competition is great, and it will be the same through to Montreal. I believe that the reduction in the rate of freight will be a profit on the crop of the farmers in the West; at all events it would equal fully the cost of the investment.

Hon. Mr. PARDEE: Has the honourable gentleman any estimate of what our share would be?

Hon. Mr. REID: Yes. I will state it in this way. The estimate made by this Commission in 1920 was $252,000,000; that is, to build the waterway to Montreal and develop 1,000,000 horse-power at the Soo Rapids.

Hon. Sir EDWARD KEMP: At what depth?

Hon. Mr. REID: To 25 feet of navigation. The figure $252,000,000 is in the official report. I have since inquired from the engineers in charge of the investigation, and they say that it is undoubtedly a safe estimate.

Hon. Mr. LYNCH-STAUNTON: One man said $400,000,000, did he not?

Hon. Mr. REID: I do not know. Of course I am taking the figures I give from the report made by the joint officials on both sides when the Commission were investigating in 1921, and they are men in whom I have confidence.

Now, as to our share. We have already spent on the Welland Canal over $70,000,000 —on the old canal about $35,000,000, and on the new $33,000,000 or $34,000,000; and I am informed that it will take probably $30,000,000

more to complete the new Welland Canal. Our Commissioners have submitted to the American Commissioner the proposition that if we go on with this scheme the Welland Canal should be taken into consideration and the United States should pay one-half of that cost. The American Commission agreed to that and it is in the report of the Joint Commission. Therefore, if we have spent $100,000,000 on the Welland Canal when it is completed, the United States would pay half of that, American citizens having just as much right to use it as we have, and have been using it since we first built the Welland Canal on the same terms as our Canadian vessels, although it is international and they never paid a cent. Now, suppose we had to pay half of the $252,000,000: that would be $125,000,000. Then we would get credit for $50,000,000 on account of the Welland Canal.

There is this other question, on which I do not see any report, but as to which our side might be helped by negotiations and which I believe our American neighbors will see it is only fair to pay a share of. We have already spent on the canal system between Prescott and Montreal $65,172,097. The Americans have been using it ever since it was built and have just as much right to use this canal system as we have, and will continue for all time to use it although never having paid a cent towards its construction. When the Welland Canal is built, their vessels of 400,000, 500,000 or 600,000 bushels capacity on the Upper Lakes will come down through the Welland Canal and transfer at Ogdensburg, and they will use our other canals free until this St. Lawrence waterway is constructed the same as we will do at Kingston and Prescott. If the policy that has been adopted by every Government of Canada for a number of years past—that is, to start at the foot of Lake Superior and go through with this 25-foot waterway to Montreal and this policy is carried out and paid for by our own people, and we refuse to let the Americans come in, then we shall have to make the necessary expenditure and it will be done in years to come, and the Americans will of course have the same right to use it free on account of the Treaty made with the United States giving them that right.

There is another advantage in this project. The power development will not only help both Quebec and Ontario, but it will help to pay the cost of the waterways. If we are allowed by the United States a portion of what we paid on the other canals what we are entitled to, then our share in the cost of the scheme would be, in my judgment, $50,000,000 or $60,000,000. But let us suppose it would cost us more. My point is that if the project is proceeded with, there will be produced in international waters between the Province of Ontario and the United States about one million horse-power, of which the Province of Ontario will get about half a million, and there will be produced in the Province of Quebec about three million horse-power, and Quebec would of course have the advantage of the whole of the 3,000,000; for I think it is conceded that the provinces have the right to the use of the power developed, while the Dominion has the transportation rights. At all events, Canada would have the use of about three and a half million horse-power that is now running away. If that horse-power is developed and the annual rental is say one dollar, we should get $4,000,000 per annum for that power.

Hon. Mr. SCHAFFNER: Would there be a market for it?

Hon. Mr. LYNCH-STAUNTON: We might get some at Hamilton.

Hon. Mr. REID: Perhaps some of it might be taken up to Hamilton, because I think Hamilton needs it very badly and power is now distributed at much greater distances than Hamilton would be from this development. I remember when the development in Ontario at Niagara Falls started with 100,000 horse-power. Most people—and I think the honourable member from Hamilton was one of them—thought we could hardly use 50,000 horse-power in Ontario in the next forty years. But we have developed 600,000 horse-power there since 1906, or in the last 18 years, and Hamilton is extremely glad to get a good deal of it, too. It is all taken. And to-day in the city of Toronto $5,000,000 is being spent on a coal plant for the purpose of supplying power in that city, because there is no more water-power to be had. Toronto would like to get power from the St. Lawrence. In my judgment all the power developed would be taken long before many of us expect. For all of that portion that would be developed in Ontario there is a demand now. At all events, this country would derive great benefit from that power development. After all, there are two things we need in this country in order to develop our natural resources: We must have cheap power, and we must have cheap transportation. Cheap transportation is of paramount importance to the Western Provinces, and I am as eager as anyone can possibly be to see it made available, because

I believe there is nothing that will help more to develop the West.

A new Commission has been appointed by the Government to again consider this matter. The gentlemen appointed to that Commission are very able men. They are continuing the investigation from where it was left off in 1921 by the former Commission. The Chairman of the new Canadian Commission is Hon. Geo. P. Graham, and one of the Commissioners is Dr. McDougall of Montreal, and I have full confidence in both of them. The others, I have not heard their names. The city of Montreal, I understand is opposed to this project. I do not believe it will injure that city at all. I believe it will help that city in the end. I have great confidence in the Commission as a whole, and am anxious to see its report. In my judgment the evidence and information will be so complete that they must report in favour of the development of this waterway.

Two objections have been raised. One is that it would interfere with our railway traffic. I do not agree with that contention. In fact I think the scheme will help our railways, and I will tell you why. Three hundred million bushels of grain—in fact all the grain that can be—is shipped by water. The railways get no haul from that, except what comes via Georgian Bay ports. As I say, 150,000,000 bushels went to Buffalo and other United States ports. A great deal of the balance went from Port Arthur to Montreal. The very fact of cheaper transportation from Port Arthur to Montreal should help the development of the Northwest and help to make farming in Western Canada pay, so that the people there will have more grain to be hauled to our water ports. After all, it is in the transportation of grain from the West that our railways have made their money in the past, and that they look forward to making their money in the future. Therefore I cannot see how anything we do to further assist and develop Western Canada and to develop traffic on this waterway between Port Arthur and Montreal would affect the railways.

Hon. Mr. SCHAFFNER: Will the honourable gentleman excuse me? I think he will find that very little grain has gone by rail during the last year. The honourable gentleman is now referring to Western grain. Formerly, during the winter, we used to send grain from Port Arthur and Fort William to Quebec and Montreal, but in the last year very little has been shipped by rail.

Hon. Mr. REID: I was just going to say that the shipment of grain by water will continue and increase, but there will always be grain to be shipped in the winter, and the railways will alaways have that traffic, and this proposition does not in any way interfere with winter shipments by rail.

The amount of coal which will come to Ontario, and which I think will be very large perhaps going as far west as Fort William and Port Arthur, will be of tremendous assistance to Ontario. The railroads do not get any of that traffic now, because we do not bring in coal by water to Ontario, and we cannot get coal from the United States except by rail. There is talk of it coming from Alberta, but that is a very long haul, whereas if we could get it by boat from Nova Scotia and New Brunswick and England it would be to our advantage, and I cannot see where it would in any way affect rail transportation. Then, again, vessels would bring return cargoes to Port Arthur and Fort William, and there must be large quantities of freight that would go that way for China, Japan and other foreign countries on account of cheap water transportation and the railways would get the haul across the continent. So that I cannot see how the water route would be serious for the railways.

I was present the other evening at a meeting in Ogdensburg, New York, at which an address was made by Hon. Herbert Hoover, who is Chairman of the American Waterways Commission, Hon. Mr. Graham being Chairman of the Canadian Commission. Mr. Hoover went to the meeting after he had seen a part of the rapids where some of the proposed improvements are to be made, and the impression I gained from his speech was that he thought it in the interest of both countries that this work should be proceeded with, when public opinion in both countries realized its importance to both countries. Of course, he spoke of the matter from the standpoint of the United States as a whole, but he stated that along the line of this waterway there were 45,000,000 people in the United States who would gain advantage from it. In Canada 5,000,000 people at least and perhaps more would benefit by having the use of this waterway.

Another point of importance is that the manufacturers in Ontario, Quebec and the Maritime Provinces turn out many products that will not stand high freight rates and cannot be shipped to British Columbia on account of the long rail haul—articles such as hardware, nails, probably rails for railways, plates for shipbuilding, and things of that kind. Such freight could be taken in large vessels from Ontario and inland ports

and Maritime ports around to Vancouver, and thus help the manufacturing interests in Ontario and Quebec and the Maritime Provinces, and keep in Canada the money we now pay to foreign countries for those products instead of buying them from foreign countries.

On the other hand, the eastern Provinces require long timber and other products that are manufactured in British Columbia. These would come around by vessel, because the price of those products does not justify paying the high freight rates by rail haul. That point was mentioned in this House a year ago, and I spoke upon it in connection with a resolution brought up by a member from British Columbia. The result of that discussion was that a private corporation last fall started a steamer that carried a cargo from Hamilton and Toronto around to British Columbia, and brought a cargo back. That trip must have been a success, because the same company on June 16 started with another steamer on the same route. I understand that the Canadian Merchant Marine have started one or more vessels on this route, and are doing a successful business, so that we will also have an advantage in that way.

Hon. Mr. WATSON: Has the honourable gentleman any idea what effect these improvements would have on the lake levels?

Hon. Mr. REID: They would increase the levels of Lake Ontario at least—that is what I understand from engineers—because the water would be dammed back.

Hon. Mr. WATSON: That is a very important question.

Hon. Mr. REID: It might probably affect only Lake Ontario. At the present time the St. Lawrence river has a free outlet; there is no obstruction of any kind on that river at all. The engineers have told me that the placing of these dams across the river will raise the water in Lake Ontario.

Hon. Mr. LYNCH-STAUNTON: How will it affect Lake Erie?

Hon. Mr. REID: I can only speak for Lake Ontario and the St. Lawrence river. I am informed it would help Lake Ontario.

I hope and I believe that the Government will urge that the report of this Commission be obtained as soon as possible, and I trust that the matter will be taken up by the Canadian and United States governments and dealt with at the earliest possible date. I have heard a report that Sir Adam Beck offered, if the Dominion Government did not wish to go ahead with this improvement, that the Hydro-Electric Commission of Ontario would build these dams in the international waters in Ontario for the sake of the power alone, and let the Government pay their portion of the locks, or simply pay the interest on the cost of the locks in that portion of Ontario. If that arrangement were made, I have no doubt that 500,000 horse-power could be put on sale in Ontario and that that amount could be easily disposed of at once. Further, I believe that if the power companies of the province of Quebec would build those other dams in order to get the power, they would constitue one of the greatest utilities in the world, and one with the best earning capacity. I would not urge that the Government of the province of Quebec let that power pass out of its hands, but of course that is a matter of their concern. It does not affect me. All that I want to see is that the St. Lawrence improvement be proceeded with for purposes of transportation. While power is a secondary question, it would be a great advantage to this whole project, and be what is absolutely necessary for the further development in Ontario and Quebec of the great natural resources we possess such as agriculture, manufactures, wood, minerals, mines—the greatest natural resources of any country in the world.

Honourable gentlemen, I thank you for the way in which you have received my remarks.

Hon. Mr. BENNETT: Honourable gentlemen, the motion proposed by the honourable gentleman from Grenville (Hon. Mr. Reid) is one of very great concern, and one that has been discussed in the province of Ontario during the past year with a great deal of interest. The section of the country from which I come is very much interested, having one of the lake ports and having railway communication with Montreal and Portland, and if no other gentleman is prepared to speak to-day I would move that the debate be adjourned until some day next week, when I hope to speak on it, but I am not prepared to do so to-day.

The motion for the adjournment of the debate was agreed to.

INDUSTRIAL DISPUTES BILL

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. W. B. ROSS: I would ask the honourable leader of the Government to let the third reading of the Bill stand over until Tuesday. I would like the leader on this side of the House (Hon. Sir James Lougheed) to be here and learn what has been done in

regard to this Bill. That is one reason for my request. The other is that the Bill was given its second reading after 6 o'clock yesterday, when this House was only about half-full. I trust the honourable gentleman can see his way clear to doing that; if not, I will have to move.

Hon. Mr. DANDURAND: My objection to complying with the request of my honourable friend is that during last Session we dragged this Bill along from week to week, and to my surprise the Senate had occasion twice, if not three times, to alter its opinion, which means that apparently the complexion of this House changes occasionally.

Yesterday we decided by a large majority to accept this Bill, which has come from the Commons, having passed that House unanimously for the second time, and it seems that while the whole matter is sufficiently in our minds, we should take the third reading. Surely my honourable friend will not ask us who discussed this Bill for two hours yesterday, to begin all over again next week.

Hon. W. B. ROSS: There was one section of the Bill that passed only by 16 against 14, so it was not very much of a majority.

Hon. Mr. DANDURAND: Members can record their votes on the motion for the third reading.

Hon. Mr. REID: The honourable gentleman will remember that last night this House was kept going until about twenty minutes past six o'clock.

Hon. Mr. DANDURAND: Was my honourable friend in the Chamber?

Hon. Mr. REID: Yes, I was here, but several gentlemen went away at 6 o'clock supposing that the House would adjourn at the usual time. I thought it was very unfair to carry on after those gentlemen had left.

Hon. Mr. DANDURAND: It was very unfair for those honourable gentlemen to leave before His Honour the Speaker.

Hon. Mr. REID: No. I say it is understood that the House rises at six o'clock, but the honourable leader kept it going until nearly half-past six. Members usually go home at five minutes to six, or six o'clock.

Hon. Mr. DANDURAND: Perhaps we did that to accommodate a number of members who did not wish or were unable to come and sit in the evening. The Senate as a body should not be reproached after having done that fine thing for 25 or 30 members of this Chamber. Besides, my honourable friend will remember that we were busy examining the Bill, and were not supposed to have our eye on the clock; we give fuller measure than that.

Hon. W. B. ROSS: If the honourable leader cannot see his way clear to postpone the third reading, I will have to move an amendment:

That the Bill be not now read the third time, but that the third reading be placed on the Order Paper for Tuesday next.

Hon. Mr. DANDURAND: I do not want to take an uncompromising position if my honourable friend really insists on an adjournment. He knows I have always been agreeable to adjourn. If it seems to be the desire of the Senate that we postpone the third reading until Tuesday next, I will accept that; I would not like to divide the House on such a matter. I move therefore that this Order be discharged, and be placed on the Order Paper for Tuesday next.

It was ordered accordingly.

PRIVATE BILL

SECOND READING

Bill O5, an Act to change the name of La Banque d'Hochelaga to "Banque Canadienne Nationale."—Hon. L. C. Webster.

DIVORCE BILLS

SECOND READINGS

Bill M5, an Act for the relief of Florence Castle.—Hon. Mr. Haydon.

Bill N5, an Act for the relief of Frances Hadenka.—Hon. Mr. Haydon.

Bill P5, an Act for the relief of Louise Powell.—Hon. W. B. Ross.

Bill Q5, an Act for the relief of Margaret Johnston.—Hon. W. B. Ross.

Bill R5, an Act for the relief of Hilda Girdler—Hon. Mr. Reid.

WAR REVENUE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 142, an Act to amend the Special War Revenue Act, 1915.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I will ask Mr. Russell to come to the floor.

On section 1—tax on sales reduced:

Hon. Mr. DANDURAND: This is an amendment which does not need very much explanation, because it speaks for itself. The 6 per cent Sales Tax is reduced by this clause to 5 per cent.

As to subsection 2, the effect of the present law is that the Exercise Tax on matches and playing cards is added to the value on which the Sales Tax is imposed in the case of domestic productions, but not on imports. The purpose of the amendment is to remedy this inequality.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—books and other goods added to excepted articles:

Hon. Mr. GORDON: I would like to have an explanation of that.

Hon. Mr. DANDURAND: The list under section 3 comprises additions to the list of goods exempted from the Sales Tax.

Hon. Mr. GORDON: They are exempt altogether.

Hon. Mr. DANDURAND: This increases the list.

Hon. Sir EDWARD KEMP: What is the object of exempting the goods?

Hon. Mr. DANDURAND: They are mainly necessaries of life.

Hon. Sir EDWARD KEMP: Anything that is not exempted, then, is a necessity—is that the idea?

Hon. Mr. DANDURAND: My honourable friend will have an idea of what they are if I run through the list. They are the following:

Customs Tariff Item	Goods
45	Milk foods, n.o.p., prepared cereal foods.
46	Prepared cereal foods.
64	Sago and tapioca.
173	Books for the blind and deaf and dumb.
175	Text books, etc.
	Text books authorized by Board of Education.
209b	Nicotine sulphate.
219a	Preparations for disinfecting and spraying.
281 & 281a	Fire brick.
352a	Church bells.
410 & 410a	Chain.
445	Mowing machines, harvesters, etc.
445a	Articles enumerated in this item are exempt when entering into the manufacture of certain specified agricultural implements.
445b	Articles enumerated in this item are exempt when entering into the manufacture of certain specified agricultural implements.
446	Cultivators, harrows, etc., and complete parts thereof.
446b	Ploughs and complete parts thereof.
446c	Windmills and complete parts thereof.
447	Portable engines.
447b	Threshing machines, etc.
448	Other agricultural implements n.o.p.
449	Axes, scythes, sickles, etc.
450	Shovels and spades, blanks, etc.
453b	Machinery for sawing lumber; logging machinery, etc.
453c	Mining machinery.
453d	Steel dies etc.
456a	Ingot moulds.
460 & 460a	Mining machinery.
460b	Gas making machinery etc.
460c	Blast furnace material.
460b.	Blast furnace material.
461	Machinery for alluvial gold mining.
461a	Pipe for alluvial gold mining.
466	Surgical and dental instruments etc.
466a	Scientific apparatus for hospitals.
469	Well drilling machinery & parts.
506a	Crutches for cripples.
544	Binder twine.
591	Farm wagon & logging wagons.
591a	Freight wagons, etc.
663b	Articles for manufacture of fertilizers.
666	Explosives etc.
667	Blasting powder.
696	Scientific apparatus for educational purposes.
1017	Tubing for wells.
	Insulin.
	Extract of rennet.
	Calf, cattle, hog and poultry feed.
	Ice cream.
	Rice, cleaned.
	Macaroni and vermicelli.
	Meats, salted or smoked.
	Carbolic oil for creosoting logs.
	Cream separators and parts.
	Cars for use at mines, etc.
	Gasoline engines for fishermen.
	Material consumed in process of manufacture.
	Reduction from six to five per cent.
	50 per cent reduction on
	Boots and shoes.
	Biscuits.
86	Vegetables in cans.
105	Fruit in cans.
106	Jellies, jams, preserves, etc.
	Creosoted ties.

Hon. Sir EDWARD KEMP: Nearly everything is exempted now; there are very few things left. May I ask if it is the intention of the Government to remove the Sales Tax from the few remaining articles later on?

Hon. Mr. DANDURAND: As we go on increasing the surplus we may reduce taxation in that direction.

Section 3 was agreed to.

Sections 4 to 10, inclusive, were agreed to.

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.

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

PRIVATE BILL

SECOND READING

Hon. Mr. BRADURY moved the second reading of Bill 18, an Act respecting a certain patent of The Fleischmann Company.

Hon. Mr. DANIEL: Explain the object of the Bill.

Hon. Mr. BRADBURY: Honourable gentlemen, I know very little about this Bill. It was placed in my hands by a patent solicitor, and I will give to the House his explanation.

Hon. Mr. BELCOURT: Is it in the form of an affidavit?

Hon. Mr. BRADBURY: No. It is just an explanation. It is written to me by Russell Stewart Smart, and is as follows:

This Bill seeks to authorize the Commissioner to re-issue a patent which was granted for an invention of one Norman Stanley Harrison and assigned to the Fleischmann Company. It was discovered that the invention was, as a matter of fact, a joint invention of Martin Nilsson and Norman Stanley Harrison, and consequently it is necessary to re-issue the patent.

I would much appreciate your presenting the petition for my client in the Senate, and shall of course appear before the Committee and give the requisite explanation when necessary.

In addition to that, I am furnished with this further information:

The Fleischmann Company are the owners of Canadian patent No. 207753 granted to them as the assignees of the alleged inventor, Norman Stanley Harrison, a former employee of theirs. An investigation made subsequent to the issue of the patent showed that the invention, instead of being the sole invention of the said Harrison, was a joint invention of the said Norman Stanley Harrison and one Martin Nilsson, another employee.

Hon. Mr. WATSON: What is the invention?

Hon. Mr. BRADBURY: I cannot tell you. Something in connection with Fleischmann's yeast.

The Fleischmann Company is the assignee of both inventors, and has applied for a re-issue of the said patent, said re-issue application being filed on July 24, 1923, under serial No. 279139. The Commissioner of Patents, however, has decided that the terms of section 27 of the Patent Act are such that he is without power to grant the re-issue. Hence the application to Parliament.

I respectfully submit that it is only fair that the Bill should go to Committee, and that the solicitors be given an opportunity to appear.

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

Friday, June 20, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill Y5, an Act for the relief of Elizabeth Atkinson.—Hon. Mr. Haydon.

Bill Z5, an Act for the relief of Gerald Arthur Johnson.—Hon. W. B. Ross.

THIRD READINGS

Bill M5, an Act for the relief of Florence Castle.—Hon. Mr. Haydon.

Bill N5, an Act for the relief of Frances Hadenka.—Hon. Mr. Haydon.

Bill P5, an Act for the relief of Louisa Powell.—Hon. W. B. Ross.

Bill Q5, an Act for the relief of Margaret Johnston.—Hon. W. B. Ross.

Bill R5, an Act for the relief of Hilda Girdler.—Hon. Mr. Reid.

SECOND READINGS

Bill T5, an Act for the relief of Janet Ferguson.—Hon. G. V. White.

Bill U5, an Act for the relief of Charles Whittaker.—Hon. G. V. White.

Bill V5, an Act for the relief of Arthur Robert Ascough.—Hon. Mr. Bradbury.

Bill W5, an Act for the relief of Albert Joseph Phillips.—Hon. W. B. Ross.

Bill X5, an Act for the relief of Patience Oldfield.—Hon. Mr. Haydon.

PRIVATE BILLS

THIRD READING

Bill A4, an Act to incorporate Shantung Christian University.—Hon. Mr. Haydon.

SECOND READING

Second Reading Bill 60, an Act to incorporate The Life Underwriters' Association of Canada.—Hon. Mr. Lynch-Staunton.

INDUSTRIAL DISPUTES ACT AND THE POSTAL STRIKE

On the Notice of Inquiry:

By Hon. Mr. Casgrain:

That he will inquire from the Government:

Do the Post Office employees who have gone on strike fall under the provisions of section 59 of the Industrial Disputes Investigation Act, 1907?

If so, is it the intention of the Government to collect the penalties under the said Act?

Hon. Mr. BRADBURY: They will have a fine job collecting them.

Hon. Mr. DANDURAND: My honourable friend certainly has something to learn as to the operations of that Act.

Hon. Mr. ROBERTSON: My honourable friend has probably not noticed the fact that only yesterday the Acting Postmaster General declined to agree to the establishment of a Board of Conciliation under the Act, and therefore the employees are at liberty.

Hon. Mr. CASGRAIN: But they went on strike before that.

EXPORT OF INTOXICATING LIQUORS

INQUIRY

On the motion to adjourn:

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I have to trouble my honourable friend again. It was on the first day of April, if I remember aright, that on a motion proposed by myself the Senate ordered the production of certain information from the Department of Customs and Inland Revenue, but up to this date we have not received it. I urged my honourable friend, in the best French that I could command, thinking that would appeal to his susceptibilities, but that has not furthered my request by a single inch. Now, I want to give my honourable friend due notice that if the information does not come soon, I shall have to trouble this House with a French speech that may be half an hour or an hour long. Seriously, it is coming to the time when one almost begins to think that the Department does not intend to give the information, and I would not like to form so harsh an opinion of the Department of Customs and Inland Revenue. I hope my honourable friend will really make a move to press forward the order.

Hon. Mr. DANDURAND: I found in my file, in answer to an inquiry of mine some time ago, a letter from Mr. Mulvey, whose Department attends to our requests and orders, stating that the matter had to be gathered together from all the ports of entry in Canada, and that this would take some considerable time. I had felt that the Treaty recently signed with the United States had perhaps given my honourable friend such satisfaction that he would be disposed to waive his inquisition into our operations in the sale of intoxicating liquors to the outside world. I felt that I knew what was in my right honourable friend's mind, because during the discussion of last year on the Temperance Act he had occasion to lay before the House his views as to the propriety of allowing free exportation to a country that was opposed to the liquor traffic. Next week I will see that the Department of Customs is made to explain why it takes such a long time to get an answer.

As to the inquiry of my honourable friend from Middleton (Hon. W. B. Ross), I have been informed by the Railway Department that quite a number of clerks have been working on the report for which he asked. I made strong representations to the Secretary of the Railway Department this morning—and I would like the representations to reach all the Deputy Ministers—as to the saving that would be accomplished if, when a return is asked for which entails an expenditure of quite a large sum of money, the Department would get in touch with the member of Parliament, either in this House or the other, in order to obtain a clear knowledge of what is wanted. Sometimes voluminous returns are brought to the House, and are found to contain but one page that is of interest to the member who has asked for the return. My suggestion to the Deputy Ministers is that, if it seems to be a matter of importance bearing on the Treasury, they should get in touch with the member. Similarly the members might get in touch with the Deputy Ministers . This is not a criticism. But I have found from experience that very often a large expenditure is incurred in obtaining information which the Deputy Minister could have laid his finger upon if he had come in contact with the member asking for it.

Hon. W. B. ROSS: Before moving for my return, I made what I thought was reasonable inquiry to ascertain whether I was asking for what would entail a great deal of work, and I was quite ready to accept suggestions. I was informed by a man in the Railway Department that there were in existence copies of the agreements asked for, and that there would be no difficulty in my obtaining them at once. That being so, the only thing to be prepared would be a copy of the pay-roll under each agreement. I confined myself to the pay-rolls of the Atlantic division, and I cannot understand why there should be so much delay.

Hon. Mr. DANDURAND: I have just been told that a number of pay-rolls are being copied. That illustrates my point—that the Deputy Minister, before entering into a work of this kind, involving considerable expenditure, should get in direct contact with the member.

Hon. W. B. ROSS: They must misunderstand my question. The meaning is quite plain. It asks for only one pay-roll under each of the three agreements in the Atlantic region.

Hon. Mr. DANDURAND: I will see that this discussion is communicated to the Department of Railways.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend's criticism with respect to the Senator who has just taken his seat (Hon. W. B. Ross) all falls down. The criticism should be directed to the other end. There is stupidity or lack of care somewhere in undertaking to duplicate, triplicate and quadruplicate what is asked for.

Hon. Mr. DANDURAND: I was addressing my criticism to the Deputy Ministers.

Right Hon. Sir GEORGE E. FOSTER: That is right. Keep it there.

With reference to my own question, there cannot be any falling down or lack of clearness. I definitely asked for what I needed, and I could not be satisfied with any less. I have had many an experience of what my honourable friend has mentioned and know that members, in their desire for information, do sometimes ask for a great deal that they will not use, and that a great loss of time results in getting what is needed. That is where a conference with the Deputy Minister would be useful.

My honourable friend alluded to my happiness in that a certain Treaty had been arranged. I was happy, but my dish was suddenly dashed to the ground, because I am told that in the hurly-burly of the last hours of the Session the United States Senate did not get that Treaty into shape and ratified, and that therefore it is not yet in force. For that reason, I am all the more anxious to get the quantities I asked for. If my honourable friend has any objection to bringing them into the House on account of their size, I will get someone to help him.

Hon. Mr. DANDURAND: Does the honourable gentleman say the Treaty has not been signed?

Right Hon. Sir GEORGE E. FOSTER: That is what I saw in a telegram yesterday—it has not passed the Senate.

Hon. Mr. DANDURAND: I was under the impression that the Senate had not had time to ratify the Halibut Treaty.

Right Hon. Sir GEORGE E. FOSTER: Some of the most important measures of the House of Representatives were lost entirely; in fact, they did not get through some very essential appropriations.

The Senate adjourned until Monday next at 8 p.m.

THE SENATE

Speaker: Hon. HEWITT BOSTOCK

Monday, June 23, 1924.

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

Prayers and routine proceedings.

INCOME WAR TAX BILL

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of Bill 143, an Act to amend the Income War Tax Act, 1917.

Hon. W. B. ROSS: Has not the honourable gentleman some statement to make with respect to this Bill?

Hon. Mr. DANDURAND: Not this one. This Bill has come from the Committee.

Hon. Mr. ROSS: I understood the Deputy Minister of Finance was to write the honourable gentleman with regard to certain regulations that are to be made under this Act. I asked him to do that, and have been told that it has been done.

Hon. Mr. DANDURAND: Under what clause?

Hon. Mr. ROSS: Under the clause relating to the lien—section 7. The explanation given to us when the Committee rose the other day was that when a man gets a clearance from the taxation officer it is good for two weeks. I do not know that the honourable gentleman understands that if I am going to convey land and am asked for a certificate of title, I have to show that there is no lien. I get a certificate from the Inspector. That, they tell me, would be good for ten days. For instance, there is an Inspector in Halifax. If I lived in Yarmouth and were going to make a conveyance, in order to give a clear title I would have to write to Halifax. That would take a day; another day would be required to deal with the matter in Halifax, and a third day to send it back. That would be three days. Then, when I came to make the conveyance three days later, the purchaser might say: "This was all right three days ago. Your title was clear then, but I do not know whether a lien has come on in the meantime." To obviate that difficulty we were promised a regulation by the Department that the certificate to the effect that no income tax is due shall be good for two weeks. In other words if I am given a clearance to-day, they cannot put a lien on my land for two weeks. When they told me that, I said, "That is

pretty satisfactory." It would remove—I will not say, every difficulty—but one of the main difficulties in the working of the Act. What I wanted was something formal in this House. They promised me they would write to the honourable gentleman with regard to that, and either the honourable gentleman would volunteer to make a statement in the House or I could ask a question. I am not interested in all mankind, but am speaking generally on behalf of the public, and would like a formal statement in the House that such a regulation will be made before the Act is put into operation.

Hon. Mr. DANDURAND: Did the honourable gentleman ask a question in Committee, or was he speaking to the Commissioner?

Hon. Mr. ROSS: It was just as the Committee adjourned. In fact, we were talking at the end of the table, just at adjournment time. I am not blaming the honourable gentleman at all, but the Department promised me that that communication would be made to him.

Hon. Mr. DANDURAND: I did not receive it. I was not aware of my honourable friend's conversation with the Commissioner.

Hon. Mr. ROSS: The conversation took place with the Commissioner and two of his assistants. I happened to meet one of them since, and he told me that the communication had been sent. There must be some mistake.

Hon. Mr. DANDURAND: It has not reached my hands.

Hon. Mr. ROSS: Without that regulation the Act would be an oppressive one.

Hon. Mr. DANDURAND: This is the first time that the point has been taken, and it seems to me to have considerable merit. Therefore we might postpone the third reading until to-morrow, and I will get into touch with the Commissioner. My honourable friend's conversation took place after I left to attend a meeting of the Railway Committee.

Hon. Sir JAMES LOUGHEED: May I be permitted to say that in my judgment a mere assurance or a letter of the character mentioned is not sufficient. The Bill is a very elaborate one, containing very important clauses calculated to disturb the title to practically every foot of land in the Dominion of Canada. Until the owner is able to present a certificate from the Government that his income tax is paid, his land is made chargeable for the payment of that tax, and he canot make a transfer of the land without having the necessary evidence in hand.

Hon. Mr. CASGRAIN: That ought to be in the Registry Office.

Hon. Sir JAMES LOUGHEED: If anything has been worked out in most elaborate detail it is the question of titles to land. That is a subject within the jurisdiction of the provinces of Canada, and when a person has a land transaction to make, or is contemplating the transfer of land or the charging of land with liens, he has not to travel from Dan to Beersheba to learn what should be done. The procedure is elaborately laid down by statute, and there is no better established practice than that relating to charges against titles to land.

Last Session the Government brought in an Income Tax Bill which practically provided that there should be an unregistered lien—for that is what it amounted to—against every foot of land owned by the people of Canada who had not paid income tax and no procedure was laid down, no system was devised, no method adopted, whereby the certificate of payment could be secured. You had to come from the Atlantic coast, or from the Pacific coast, as the case might be, to Ottawa, and when you got here you found no procedure laid down regarding the issuing of that certificate. You had to enlist the services of some departmental agent or somebody who could kick his heels around the corridors of the different departments, waiting to see the proper officer with a view to getting a certificate. In the meantime the sale that might have been made by the owner of the property was jeopardized, provided a requisition had been made upon him to produce within a given time the certificate showing that the income tax was paid. I am not making any exaggerated statement when I say that it startled the lawyers of the Domition to learn that a general lien had been created by the Act of last Session, and a protest went up from practically all the members of the profession and all persons interested in land transactions.

The Government of Canada comes down at the present Session asking for additional powers.

Hon. Mr. DANDURAND: No, restricted powers.

Hon. Sir JAMES LOUGHEED: Well, restricted powers, but elaborating to a considerable degree upon what their powers are, and so on. True, they postpone their lien

to the prior charges. It is really refreshing to find that degree of consideration on the part of the Government—to see that they are not going to absorb everything; that they give some recognition to what are known as property and civil rights in the provinces. Very probably—and I say it with a good deal of certainty—they were advised that they could not eliminate the rights of the provinces in regard to property and civil matters by this class of legislation; but there is an absence from the Bill of any remedy for the abuse which has been felt throughout the Dominion.

There is no good reason, honourable gentlemen, why this Bill should not specify the procedure to be followed for the purpose of getting the certificate. Is there any reason why the Crown should be relieved of such obligations as fall upon every other organization or individual in the Dominion? I see no reason whatever for granting latitude of that character.

Furthermore, I think the Crown should be sufficiently considerate to recognize the disturbance which this legislation is making with regard to transfers of land, and should devise the most convenient procedure for the purpose of avoiding such disturbance. It seems to me that before this Chamber finally passes this Bill it should exact from the Crown proper machinery, so that the public may not be inconvenienced. It is not merely a matter of inconvenience: it is one that may entail great loss. It may result in the loss of many sales of property, because, if the certificate is not obtained within the time stipulated in the requisition to clear up the title, the sale may fall through and damages may be claimed from the owner of the land because he cannot give a clear title. This is a very serious matter and I believe that every honourable gentleman in this Chamber who has had to do with the clearing up of titles to land, or receiving requests or answering various objections as to clouds upon title, will appreciate the necessity of such a procedure being adopted as will enable anyone in the Dominion to learn, by taking up the statute, what is to be done by way of giving the certificate in question.

The next point is that the certificate should be obtainable in the province in which the land lies. As I understand, that has been agreed to.

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: But there is no assurance of that. It is all very well for an officer of the Department in all sincerity to say that they purpose doing so and so, but that officer will not be in command of the business of the Department for all time. The procedure should be embodied in the statute, and I suggest to my honourable friend, not by way of being hypercritical in these matters, but for the convenience of the public, that a procedure should be worked out and incorporated in this Bill, so that the public may know where the certificate is to be obtained; and, furthermore, it should be obtainable in the province within which the land lies, and the officers of the Crown in that particular province should receive special instructions that immediately a demand is made the certificate should be forthcoming.

Hon. Mr. CASGRAIN: Honourable gentlemen, I thought it was agreed when this matter was up before that the Registry Office would be the proper place to deal with the lien. For instance, if the Government had a lien against me, they could select whatever property they liked and register that lien on the property, in the Registry Office. I take it that the other provinces have Registry Offices similar to what we have in Quebec. In our province, if anyone has a lien against land, but has not registered it in the Registry Office, it does not hold good as against a third party. If a person wants to buy a piece of property he goes to the Registry Office and obtains what we call a certificate of search, which enumerates all the charges on that property. Why should not the Government's lien also be registered? I take it that the Government simply sends an official letter from Ottawa saying that against the property of So-and-so, in Calgary, for instance, there is a lien of so much, because the owner has not paid in full his income tax, and that there would then be a lien on that property and no innocent purchaser would be deceived. He would simply have to go to the Registry Office to see a record of the Government's lien. And unless the Government did register that lien against the property, it would not hold good against third parties.

Hon. Sir JAMES LOUGHEED: Without wishing to interrupt my honourable friend, may I say that there is a very good answer to his proposal that the lien should be registered in the Registry Office. Here is the reason why it should not be made obligatory upon the Government to make that registration. If we want to ascertain what taxes are payable against land within a certain municipality, we inquire of the proper municipal officer, and he, according to practice, will issue the necessary certificate. The same

principle applies to a provincial tax. The province is not called upon to register a lien in the Registry Office. You know who the officer is: you make application to that officer, and he issues the necessary certificate. By a parity of reasoning, the same principle should be applied to the Dominion income tax. That is to say, there should be in each province an officer designated to issue certificates, and upon application to him the certificate would be forthcoming without delay. It seems to me the situation could be met in this way.

Hon. Mr. McMEANS: When a man pays his income tax the Government has no lien.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. McMEANS: Then, when a man has paid his income tax, why should not the Government send him a certificate that his tax is paid to date?

Hon. Mr. CASGRAIN: He gets that.

Hon. Mr. McMEANS: Then why not insert in the Bill a provision to that effect? That would be a sufficient release from any lien.

Hon. Mr. CASGRAIN: A very good idea.

Hon. Mr. McMEANS: It should be provided in the Bill that upon the production of a receipt or certificate showing that the income tax has been paid the lien ceases. What more do you want?

Hon. W. B. ROSS: You want a great deal more than that.

Hon. Mr. McMEANS: What do you want?

Hon. Mr. ROSS: You may get a receipt or certificate to-day, but there may be other charges to-morrow.

Hon. Mr. McMEANS: The tax would come only from year to year.

Hon. W. B. ROSS: I know of one that was fixed for a certain amount at the office of the Inspector in Halifax, and three months afterwards, when it came up to Ottawa, $700 or $800 were added to it by the Department here. That is happening all the time.

Hon. Mr. McMEANS: Did you get a certificate? That is very much like a receipt. You do not get a blank receipt that all income taxes are paid.

Hon. Mr. CASGRAIN: I got a receipt in full.

Hon. W. B. ROSS: The receipt is for the amount that was charged to you, and which you have paid.

Hon. Mr. WILLOUGHBY: It is a well-known fact that the first receipt issued is subject to change. I know where demands were made for income tax, the statements were subjected to correction at Ottawa, and some amounts were not paid for years. If a receipt was given by the Department that would be binding on them, but that would not cover the case suggested by the honourable gentleman from Middleton (Hon. W. B. Ross). In our own province the solicitors acting on behalf of loan companies have absolutely refused to certify loans except subject to any rights under the Income Tax. The province of Saskatchewan has passed a resolution, which I was asked to bring before this honourable body, asking for a change in the Act to do away with the difficulty of certifying not only in a business transaction but in a large loan transaction and to my knowledge they are in many cases certifying "subject to any change in the income tax".

Hon. Mr. GRIESBACH: The Act as it stands is wholly inapplicable to the law prevailing in the province of Alberta. The suggestion that the receipt which one gets from the Income Tax people would be sufficient does not answer the case for us at all. Solicitors who are closing out a transaction are required to include in their papers all the documents, and if they should by any chance get from the vendor a receipt in one transaction, apparently that is the only transaction for which there is a receipt in that year. According to the law of Alberta there must be registration in the registry office, but the Registrar himself gives the certificate.

Hon. Mr. McMEANS: The Dominion Act supersedes the Act of Alberta.

Hon. Mr. GRIESBACH: I do not think it should, and I am protesting against it doing so.

Hon. Mr. DANDURAND: I would like to ask my honourable friend this question. When he sells a piece of real estate in Alberta he transfers his deed giving title, and a search certificate from the registry office to date, but he has also to obtain from the municipality a certificate that the taxes upon that piece of real estate have been paid. Is not that the law in Alberta?

Hon. Mr. GRIESBACH: There is not a transfer of deeds: there is a surrender of the certificate of title. It comes to the same thing. What I particularly object to in this

amendment is the fact that the lien shall have priority from the date of the mailing of the notice of assessment from Ottawa. Our provincial law makes no provision for that sort of thing at all. We only deal with liens that are of record at a certain hour. It might happen, in a case where a notification was mailed from Ottawa at the beginning of a certain month, that it would reach Edmonton on the morning of the 5th; but on the morning of the 3rd the Registrar might have given a clear certificate on a piece of land, which would be valueless because on the 5th this notification would arrive, and nullify the certificate issued on the 3rd.

This law is thus wholly inapplicable to Alberta, and while it was not taken very seriously last year because the people could not believe the law was as it is, it is a very serious matter. I agree with what the leader of the Opposition has said as to the necessity of a procedure which will have some reference to the laws of the province in which it is going to operate. In all the provinces certificates issued from the Registry Office have regard to that which is filed there, and there ought not to be any hocus pocus as to dates that have nothing to do with that system.

Hon. W. B. ROSS: I think the Department is to blame for the confusion which has arisen, because we have not the whole Income Tax law before us. There are regulations in connection with it, and perhaps they should be attached to the Act. The notification, I understand, does not come from Ottawa, but from the Inspector in the province. The case I took up with the Commissioner was in Nova Scotia. The Inspector would send out a notice, say some time during to-day, and at twelve o'clock to-night the tax specified in that notice as being due from me becomes a lien. I could go to the Inspector and get from him a certificate that there was no lien, that is, that no notice had gone out demanding any tax from me, or to the effect that the tax had been paid. What the Inspector promised me was that that certificate would hold good for two weeks; that is to say, once they gave me a certificate that the tax of which I had had notice was paid, or that there was no tax, there would not be a lien on the property for two weeks after the issuing of that certificate. On the whole, I think that would be fairly satisfactory, but we ought to be quite sure that that regulation, if made, would be in consonance with the balance of the Act. Honourable gentlemen will see that subsection 6 says:

> The Minister shall make such regulations not inconsistent with this section as he may deem necessary, etc.

We have to see whether those regulations would be consistent with the rest of the Act, and if the honourable leader of the Government would get that regulation for us we would be in a better position to work out the provisions of this section.

But there is another screw loose in this Bill, to which I wish to call the honourable gentleman's attention; that is, the last part of subsection 2 of this new section 25:

> Except as hereafter provided the lien hereby created shall be deemed to attach at twelve o'clock midnight of the day of the mailing of the notice of assessment and shall rank for every purpose after any transfer or security validly executed on or prior to the day of the mailing of the notice of assessment and before any transfer or security validly executed after the day of the mailing of the notice of assessment.

That seems to be pretty plain, but a specific case will test it. Suppose I live 150 miles from Halifax, down in Cape Breton. Some time during to-day the Inspector sends out a notice. At 12 o'clock to-night that becomes a lien. You may say it is the mailing of the notice that creates the lien—that it is not the receipt of it. That notice coming into effect to-night at 12 o'clock puts a lien on my land in Cape Breton to-night, but it will be to-morrow night before I get the notice in Cape Breton, and in the meantime the land may be conveyed, and a mess results.

I think there will have to be some change made with regard to that, to the effect that the notice to constitute a lien must not operate so rapidly. I can conceive of a case where a notice would be sent out at 9 o'clock in the morning, and a man would receive it at 4 o'clock in the afternoon; then at 12 o'clock at night he would know there was a lien on his land. That is all right for a man living near the Inspector, but what about a man living 150 or 200 miles away? Such a case as that should be arranged for; if not there is going to be trouble with this law.

Hon. Mr. DANDURAND: On the other hand, if delay is given to the debtor, and he is informed of that delay, he may do away with his property before the lien falls on it.

Hon. W. B. ROSS: There is not much in that objection, because if a man is going to make away with his property in order to get clear of the income tax he will take good care to do so in ample time to dodge the tax. But you must give the man a run for his life, and I say that it is not quite fair to mail a notice at 4 o'clock and make it into a lien at 12 o'clock, and then leave him in the dark all the next day.

Hon. Sir JAMES LOUGHEED: May I suggest to my honourable friend that this is

peculiarly a matter in which the Department of Justice should prepare the proper clause, or series of clauses, dealing with the subject? For instance, they should correct a wrong—because it is a wrong, in my judgment—such as that pointed out by my honourable friend, to be found in subsection 2 of section 25. That is to say, A was the owner yesterday of a piece of land. He sold that land to B, who may have paid his good money for it, and undoubtedly would have done so, as there was nothing whatever to show that there was any charge against the land. But a couple of days ago—and prior to the sale having been made—there was a notice mailed, and there was a strike of the mail clerks, so that the notice did not reach its destination for a week or so thereafter. Is there any reason why B should be damnified to the extent of having that property charged with this particular lien when in good faith he paid his money for it? By a litttle common sense a procedure could be worked out for the purpose of notifying the purchaser of the property as to those particular liens. Why should the Crown be placed in a more advantageous position than any other class of creditor? Take, for instance, a mortgage: it does not attach itself to the land until it is registered; consequently people may deal with the land immediately. Prior to the registration of that mortgage, even though it should have been executed, the land is entirely free from the mortgage. The same may be said of an execution, or of other liens or charges against the land. The charge must attach by some specific act of which the public can become aware. There is no reason why the Crown should be in a different position from every other class of lien-holder, by this extraordinary power given to enable it to create a charge against land, unknown to the owner of the land, thus preventing him from making a disposition which he could make under our established system of registration or land transfer.

I think this is peculiarly a case where the Department of Justice should work out a proper amendment. I object to legislation of this kind being tinkered simply by parties appearing before a committee and suggesting something made up from immature thought, without knowledge of the many conditions that have to be kept in view. Now that we have the matter before us, it is our duty to see that it is fully cleared up so that no misunderstanding will arise hereafter.

Hon. Mr. REID: Honourable gentlemen, I suppose a layman might say a few words on this Bill. So far only lawyers have expressed opinions on it, and I would like, as a layman, to give my view.

I am opposed to the legislation as it now stands. I feel that in the case of any claim made by the Government they should take the same procedure to get judgment as would a private individual. The lien in this case is supposed to be put on without any legal procedure. I think the easiest means should be provided to enable any person to sell his land. As I understand, in the province of Ontario, if I were purchasing a piece of land and got a certificate from the clerk of the municipality that no taxes were due, I would be relieved of any responsibility for any taxes that might not have been paid. Then if I applied to the sheriff and got a certificate from him that there were no judgments recorded against the individual from whom I was purchasing, I understand that would constitute a clear title so far as the party owning the property was concerned. Now, would it not be reasonable to ask, if these liens are to be registered, that they should be filed with the sheriff of the county, so that if no liens or judgments were registered against the property, the title under the sheriff's certificate would be clear, as it is now? What I have in mind is the delay and extra cost of going to different parties for certificates. In my judgment this amendment is going not only to make it a hardship, but to add more costs to parties selling or purchasing, and it may also involve a great deal of litigation. My point is that if you can keep to the present place of inquiry for liens, such as the sheriff of the municipality, it would be much better.

Hon. Mr. GRIESBACH: May I ask the leader of the Government if he can tell us anything of what these regulations will be when they come out?

Hon. Mr. DANDURAND: We must first recognize that taxes—municipal, provincial, or Federal—are never registered; so, when one is interested in knowing whether or not taxes have been paid, he must go to the proper authorities to obtain a certificate.

Hon. Mr. TANNER: My honourable friend is in error in regard to the province of Nova Scotia, where, when municipal taxes are made a lien on real estate, they have to be registered in the registry of deeds.

Hon. Mr. DANDURAND: I am speaking subject to correction of those provinces of which I have had no experience; but in Ontario, and certainly in Quebec, one who purchases a piece of property must find out at the municipal offices whether taxes are due.

He cannot find out at the registry office. Likewise, he must obtain from the collector of provincial taxes a certificate showing that there are no succession duties due on the property. Furthermore, in the province of Quebec, in virtue of our code, Federal and provincial taxes due the Crown may not be resisted.

What is the law at present? Undoubtedly it surprised the public generally, but it did nothing but give a fright, inasmuch as the law of 1923 only comes into force next year. Section 25 of chapter 52 says:

All taxes, interest and penalties payable under this Act shall constitute a lien upon the assets of the taxpayer both real and personal. This lien shall be deemed to attach or to have attached on the first day of May, immediately succeeding the taxation year in respect of which the tax is payable or to which the interest and penalty relate and notwithstanding lack of notice, registration or publication, shall have priority over any mortgage, charge, lien, or hypothec, or any assignment or conveyance, including any security taken under section 88 of the Bank Act executed or created after the said first day of May, save and except the liability to the Crown of any person, firm or corporation for payment of the excise taxes specified in the Special War Revenue Act, 1915, and amendments thereto; provided always, however, that the lien or charge hereby created shall not follow or attach to personal property sold bona fide to a purchaser for value without notice unless such property is disposed of in such a manner as to bring the sale within the provisions of any Bulk Sales Act or similar statute.

Subsection 4 of section 11 says:

Section twenty-five of the said Act as enacted by section 10 of this Act shall be deemed to have come into force at the commencement of the 1924 taxation period and to be applicable thereto and to subsequent periods.

So the taxation period of 1924 only commences and the tax could only be imposed, after the 1st of May, 1925.

Hon. W. B. ROSS: No, not under the old Act.

Hon. Mr. DANDURAND: Under the Act of 1923. The tax of 1924 is only due and collectable on the last day of April, 1925. We have that from the Commissioner himself, who declares that this Act does not become operative until the taxation period of 1924. The Income Tax due for 1924 becomes exigible on the 1st day of May, 1925.

Hon. W. B. ROSS: He took a very queer way to express that. I think the majority of the people assumed that the tax was made a lien.

Hon. Mr. DANDURAND: But it only became exigible on the last day of April, 1925.

Hon. W. B. ROSS: It would be payable at the end of April, 1925; but that Act does not presuppose the giving of notice at all. It makes the Income Tax a flat lien, and the whole period of 1924 would be in doubt.

Hon. Sir JAMES LOUGHEED: Requisitions were made by lawyers.

Hon. W. B. ROSS: 1924 taxes were becoming liens during the whole period of 1924. Although a man would only be called upon to pay at the end of the year all his property was covered during the whole year of 1924.

Hon. Mr. DANDURAND: Yes, but I draw the attention of my honourable friend to the fact that the tax is not due until the last day of April, 1925.

Hon. W. B. ROSS: If a man is making title, what does it matter, if it is a lien in January, February, or April of 1924? The fact that it is not payable until the end of April, 1925, does not make any difference. He has got to get that out of the way or he cannot clear his title. I admit that this is a great improvement, because there is no lien until the service of notice.

Hon. Mr. McMEANS: Until the mailing of notice.

Hon. W. B. ROSS: Yes, that is more correct. That is a great improvement, because the land is not saddled instantaneously with a lien as it was under the old Act. Notice is required.

A great deal of the difficulty could be cleared up if we had a draft of the so-called regulations. Then we would know better what to do about it.

Hon. Mr. DANDURAND: Clause 25 of last year is recalled, and we now have a new clause. How does it work out? There can be no notice issued under this clause except after the 1st of May, 1925.

Hon. W. B. ROSS: But he will not have it then unless there is a notice.

Hon. Mr. DANDURAND: He will not have it unless there is a notice to the debtor.

Hon. Mr. GRIESBACH: Of what use to other people is that notice to the debtor?

Hon. Mr. DANDURAND: My answer is this. When this law is passed, no one will venture to purchase a piece of property or take a mortgage without obtaining from the Inspector of Taxation in the province a certificate that the property is free from arrears of taxation. I read the other day the certificate which the Inspector of Taxation would give:

Re section 7 of chapter , of the Statutes of 1924.

This is to certify that John Jones, of the city of Toronto, is not in default in the payment of any tax,

interest, or penalty assessed under the provisions of the Income War Tax Act, 1917, and amendments.

Hon. W. B. ROSS: That is going to be a regulation?

Hon. Mr. DANDURAND: Yes.

Hon. W. B. ROSS: That is where the trouble comes. We have not got the regulation.

Hon. Mr. DANDURAND: It must be realized that the official who sends the notice is the person who will give the certificate. He will send out the notice, which will become operative at midnight of the day before any one who is interested in knowing whether the property is clear from income tax or not will apply to the inspector.

Hon. Sir JAMES LOUGHEED: Why do you not put that in the Statute?

Hon. Mr. DANDURAND: The Statute says:

The Minister shall make such regulations not inconsistent with this section as he may deem necessary for carrying the provisions of this section into effect.

My honourable friend says: "That is all very well, but why should we not have these regulations?" There may be twenty reasons. One occurs to my mind immediately. This is new legislation, and this regulation may have to be varied according to experience; and I think it would be bad legislation to bind the Commissioner of Taxation to come down with regulations which would be hard and fast. My honourable friend says: "I go to the Inspector of Taxation and obtain a certificate from him. How long would it last?"

Hon. W. B. ROSS: Where is it stated that this notice is to be given by the Inspector of Taxation for the province? Is that to be found in the regulations?

Hon. Mr. DANDURAND: The Act does not say so.

Hon. W. B. ROSS: That is what I am complaining about.

Hon. Mr. DANDURAND: My honourable friend must not forget that all notices come from the offices of the Inspector of Taxation.

Hon. Sir JAMES LOUGHEED: Where does my honourable friend get that information. I know of nothing in the Statute providing for it.

Hon. Mr. DANDURAND: My honourable friend knows from experience that he receives his tax notices and his receipts from the Inspector of Taxation. This is the regulation of the Department. I have no objection to getting all the regulations that already govern this procedure, besides whatever regulations have been prepared to date. I was proceeding to answer my honourable friend who says: "The danger I see is that I may get a certificate from the Inspector which will not be good in forty-eight hours. I want it to last at least a week, to give me time to turn around and complete my transaction." My answer to him is that when he gets from the Inspector of Taxation a statement that there is nothing due by A B for Income Tax, it covers the preceding year, and there is nothing that can become due under this legislation until the beginning of the following year.

Hon. Sir JAMES LOUGHEED: Take this case, for instance. The Inspector in the province of Alberta will send out a notice, say to myself, that Income Tax is due. I may own property outside of that province. That Inspector cannot give me a certificate stating that my Income Tax is paid up, because he knows nothing of the taxes which may be due in other provinces of the Dominion. At best, he is only able to give a qualified certificate that my Income Tax within his authority has been paid; but that certificate would not be sufficient to meet the lien provided for in this Bill.

Hon. Mr. DANDURAND: I believe my honourable friend is in error, because the debt is a personal one. Each one is taxed upon his total income. At his domicile, or place of residence, he has made a complete statement of his income and after he has sent in his cheque, he will receive a receipt for it. In two or three months he may receive a statement that he is short in his payments a thousand dollars, or that he has over paid a thousand dollars,—or he may not comply with the law at all, and may gain twelve months before he is troubled by the Department. It is only when the notice is given—

Hon. Sir JAMES LOUGHEED: Will my honourable friend deal with this point specifically? How can a provincial inspector give a certificate saying that A B owes no Income Tax, or that all his tax has been paid, when A B may own property in other provinces of the Dominion? He cannot possibly do it.

Hon. Mr. DANDURAND: If he gives his certificate, that certificate is complete.

Hon. Sir JAMES LOUGHEED: But he is not going to do it. He cannot do it, because he does not know. He cannot get the information short of communicating with Ottawa.

Hon. Mr. GRIESBACH: Is not a man domiciled in one province only for the purpose of Income Tax? Is it possible for a man to have domicile in more than one province?

Hon. Sir JAMES LOUGHEED: I do not think it is a question of domicile.

Hon. Mr. GRIESBACH: Is his main domicile within the jurisdiction of more than one provincial tax office? Inquiry might be made as to whether or not it is possible for a man's name to appear in more than one Income Tax office.

Hon. Mr. DANDURAND: One Income Tax office only.

Hon. Mr. GRIESBACH: If that is so, and my honourable friend has land in British Columbia—

Hon. Sir JAMES LOUGHEED: The difficulty is just the same.

Hon. Mr. GRIESBACH: The person purchasing would apply to the Income Tax officer in that province and he would find nothing; he would apply to seven other provinces, and would be told: "The name does not appear;" he would apply to the office in Alberta, and it would appear.

What I do not understand is this. As a matter of fact the Income Tax is due on the last day of April, is it not?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GRIESBACH: A man applies for a certificate on the 25th or the 28th day of April, and there are some arrears, and the Inspector gives a certificate accordingly. Then on the 1st day of May a fresh allotment of taxes falls due which is not provided for at all. Can subsequent allotments fall due at unstated periods, or is it going to be provided in the regulations that there shall be a fixed date upon which taxes from the previous year shall fall due and that nothing else will fall due after that? So a man getting a certificate on the 15th of May would have a certificate with respect to all the taxes accumulating up to the end of the previous year and there would be no possibility of any further taxes coming due. He could depend on that certificate for some time. But if the payment of income tax is going to be divided into quarterly instalments—

Hon. Mr. DANDURAND: It is payable in four quarters.

Hon. Mr. GRIESBACH: Then for the purpose of this lien will payment become due in each quarter?

Hon. Mr. DANDURAND: When the payment that is due in the first quarter is made, the taxpayer is free for another three months.

Hon. Mr. GRIESBACH: All right. Let us pass then, to the question of regulations. My honourable friend objects to the production of the regulations because it might tie the hands of the Commissioner, but it seems to me that the absence of the regulations ties the hands of the Senate in dealing with this matter, and before reporting the Bill I am bound to ask, on behalf of a number of persons who have spoken to me about it, that there should be something a little more definite than what it contains at present. I realize that it is necessary to collect taxes—

Hon. Sir JAMES LOUGHEED: Had we not better go into Committee on it?

Hon. Mr. DANDURAND: It has been in Committee.

Hon. Sir JAMES LOUGHEED: I know, but let us go into Committee on it again and thresh it out.

Hon. Mr. GRIESBACH: Let us know a little more about it, so that we may understand where we are at.

Hon. Mr. CASGRAIN: We are doing Committee work. Some honourable members have spoken five or six times. We are out of order.

Hon. Mr. ROSS: When I get from the Inspector a certificate to the effect that there is no lien against my property, it ought to hold good for two weeks.

Hon. Mr. DANDURAND: But the honourable gentleman will have three months or a year.

Hon. Mr. ROSS: No; because unless you put some check on the income tax official, although he may be perfectly right in saying that there is no lien against you to-day, he may serve notice on you to-morrow and create a lien. A certificate stating that there are no income taxes due will not suffice. A man who asks the Inspector of Taxation about the payment of his income tax may be told that it is not yet fixed; that the Inspector does not know how much it is; that it is in dispute. If because I am selling my land or for any other reason I go to the official and make enquiry, I ought to be able to get some definite assurance as to whether there is any lien existing against my property or not.

Hon. Mr. GRIESBACH: And how much.

Hon. Mr. ROSS: Yes. We were promised also a provision for the giving of a partial

certificate. If the official says, "There is a lien against you for $500," I can pay off the lien. If he tells me there is no lien, then I want to be sure that no lien will be put on my property for two weeks, and I shall have all that time in which to make my conveyances and deal with my property.

Hon. Mr. CASGRAIN: Honourable gentlemen, I submit we are all out of order. We have spoken several times. We are really doing Committee work. Why not move that this Bill be not now read the third time, but be referred back to Committee?

Hon. Mr. DANDURAND: I suggest that we postpone the discussion of the third reading. I hope that all objections to the present form of the Bill have been laid before the House, so that the Commissioner of Taxation may take cognizance of this discussion and perhaps let me have a memorandum with all the necessary explanations to justify our proceeding with the third reading of the Bill.

Hon. Sir JAMES LOUGHEED: Explanations will not be sufficient. They will not remedy the difficulty.

Hon. Mr. DANDURAND: My honourable friend must remember that we referred this Bill to the Committee on Finance, it was discussed there and so satisfactory did it seem that it was reported without amendment.

Hon. Sir JAMES LOUGHEED: The more you consider it, though, the less satisfactory it is.

Hon. Mr. DANDURAND: It will not do to send the Bill back to Committee and, when it is reported again to find ourselves in the same situation as at present. We desire a little more light. It must be remembered that this is an amendment to an existing statute whose object is to provide all the necessary safeguards for the protection of the people of Canada. I may get from the Commissioner such a memorandum as will meet all the objections that have been raised.

Hon. Mr. ROSS: If he will give a statement of his proposed regulations we can examine them; then we may either provide by statute for such regulations, or embody some of the regulations by way of amendment in the statute itself.

Hon. Mr. DANDURAND: I have no objection to sending the Bill back to Committee of the Whole or to a special committee. However, we might postpone the third reading until to-morrow. Then we may see where we stand.

Hon. Sir JAMES LOUGHEED: All right.

Hon. Mr. ROSS: I think we could deal with the Bill much better if we had a report from the Deputy Minister of Finance first.

Hon. Sir JAMES LOUGHEED: We ought to have the regulations before us.

Hon. Mr. DANDURAND: I move that this Order be discharged and placed on the Order Paper for to-morrow.

It was ordered accordingly.

DIVORCE BILLS

THIRD READINGS

Bill T5, an Act for the relief of Janet Ferguson.—Hon. G. V. White.

Bill U5, an Act for the relief of Charles Whittaker.—Hon. G. V. White.

Bill V5, an Act for the relief of Arthur Robert Ascough.—Hon. Mr. Bradbury.

Bill W5, an Act for the relief of Albert Joseph Phillips.—Hon. W. B. Ross.

Bill X5, an Act for the relief of Patience Oldfield.—Hon. Mr. Haydon.

JUDGES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 65, an Act to amend the Judges Act.

He said: Honourable gentlemen, this is a short amendment to the Judges Act. The Ontario Act provides that the Lieutenant-Governor in Council may order that a county or two or more counties shall form a County Court District, and in many cases counties have been grouped, and the object of the amendment is to permit the Governor in Council to fix a place of residence at any place within such a district.

The proviso reads as follows:

Provided, however, that any Judge of the County or District Court of the Province of Ontario may reside at any place, within the County Court District established pursuant to the County Judges Act, 1919, of that Province, authorized or approved by the Governor in Council.

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

PRISONS AND REFORMATORIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 120, an Act to amend the Prisons and Reformatories Act.

He said: Honourable gentlemen, there is at Truro, Nova Scotia, an institution known as the Maritime Home for Girls, to which girls from the Province of New Brunswick used to be sent; but latterly a similar institution has been established at Moncton, N.B. The purpose of this amendment is to extend the provisions of sections 154 to 160, inclusive, of the Prisons and Reformatories Act, which came into force by proclamation on the 1st day of September, 1914, to the Inter-Provincial Home for Women at Moncton, N.B. The provisions for the establishment and maintenance of this institution are contained in Chapter xviii of the Statutes of New Brunswisk, 1923.

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

CUSTOMS TARIFF BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 127, an Act to amend the Customs Tariff, 1907.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I would ask that Mr. Russell be allowed to come to the floor of the House.

Sections 1 to 5 inclusive were agreed to.

Hon. Mr. ROBERTSON: Honourable gentlemen, before you adopt the preamble of this Bill I would like to call the attention of the Government and of the House to one or two matters which, I quite appreciate, we cannot amend here, but which I think are worthy of receiving consideration from the Government before Parliament sits again.

I must say, by way of apology, that these matters have been drawn to my attention since the Bill received its second reading. I am not in order in making my observations without the consent of the House.

Hon. Mr. DANDURAND: The honourable gentleman might make them on the third reading.

Hon. Mr. ROBERTSON: That is quite satisfactory.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

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

Hon. Mr. ROBERTSON: If I might take this opportunity of bringing to the attention of the House an item in the Customs Tariff, which also constitutes an item under the Sales Tax, I would recommend the same to the consideration of the Government between now and the time Parliament sits again.

It is somewhat interesting to note that while the present Government has in a general way been marching towards general tariff reduction, accompanied by a substantial contraction of business in the country, they have on one particular item—

Hon. Mr. DANDURAND: But the honourable gentleman must not forget that we are simply following the two reductions made by his own Government.

Hon. Mr. ROBERTSON: I think you have added some. I note with interest that on one particular commodity, which is of general consumption and used by the common people very largely, the tax has been very substantially increased, not only by the present Government but by its predecessor, until it has reached a point where it is now taxed entirely too high. This is having the effect of substantially lessening the revenue of the Government, and at the same time is interfering with an industry which has large interest in this country.

In May, 1923, the Finance Minister arose in his place in the House of Commons and said:

> Ministers of Finance always look upon tobacco and cigarettes as easy marks—if you ever want a few million dollars, just clap an extra duty on tobacco and cigarettes.

I think that statement indicates that the honourable the Finance Minister discovered what an inspection of the history of taxes on tobacco and cigarettes bears out.

Looking back to 1914 we find that the tax on cigarettes was $2.40 a thousand, and the excise tax on tobacco entering into the cigarette was 28 cents a pound, with no sales tax; that was a total excise tax of $3.10, per thousand cigarettes. That was increased in 1915 and again in 1919, until in 1920 the tax was $6 per thousand, plus 40 cents per pound on the tobacco, plus 2 per cent sales tax. In 1922 this was increased from $6 to $7.50 and in 1923 the Finance Minister, finding it was too high, and interfering with the business, reduced it to $6. But even with that reduction it caused the business in Canada to be curtailed to the extent of something over 20 per cent of a loss in revenue to the country, and something over $8,000,000 of a loss to the Canadian business, affecting manufacturers and workmen engaged therein.

These facts,—namely, that it had the effect of curtailing the production in Canada, took away employment from a substantial number

of workmen, and also substantially decreased the revenue of the country—are worthy of consideration in view of the further fact that the Finance Minister in 1923, when discussing this matter, expressed the opinion that it had not resulted in any decreased consumption of the article, but that it had resulted in wholesale violation of the law, and wholesale smuggling operations; so that the estimate was something like 500,000,000 cigarettes being annually imported illegally into Canada means that the Canadians are paying a revenue tax to the United States on this article to the detriment of our own revenues, as well as encouraging violation of our own laws

I would respectfully draw the Government's attention to a consideration of the desirability of a further revision next year on this item, either through the Customs Tariff or through a special taxation.

May I call the attention of the House further to results obtained from the present prices? At the present time a package of cigarettes cost 15 cents, and of that the manufacturer gets 3.98 cents to cover the cost of tobacco, paper, fuel, taxes and materials represented in manufacture, labour wages and all other overhead. The wholesaler and the retailer who handle these articles between them get 3.71 cents out of that 15 cents, and the Government through taxation gets 7.31, or 49 per cent of what the consumer pays is paid to the Government as taxes.

Because of that 49 per cent tax on that article, these goods are not being purchased in Canada as they were prior to the time that this high tax was placed. The article is coming into Canada in large quantities through underground channels, by illegal means, to the detriment of the country's revenue and of the country's industry.

I have some authoritative information as to just what is going on as to the legal entry into Canada of this article. At many points along the border a thriving business is being carried on. It has been established that men have undertaken the businesss of smuggling cigarettes from the United States into Canada by the wholesale. The method generally adopted is to transport them by motor or rowboat to unfrequented spots on the Canadian shore, where they are met by automobiles and carried inland.

The statement can be supported that cigarettes so smuggled into Canada from one point on the United States border would aggregate in the neighbourhood of 750,000 per week; that is, 39,000,000 annually. One retail dealer at another United States point recently stated that he sold in his store 700,000 cigarettes a week, and that 80 per cent of this huge quantity—560,000 cigarettes—went to Canada. Another tobacconist in the same city claimed to sell 175,000 cigarettes every week to Canadians; while another claimed he sold 60,000, and still another 40,000. It will, therefore, be seen that smuggled cigarettes are coming into Canada in tremendous quantities as these four stores alone are selling 835,000 per week, or 43,420,000 a year.

I therefore submit, honourable gentlemen, that it is a matter well worth the consideration of the Government with a view to revising the tax on that article to a point where smuggling will not be encouraged or the country's revenue destroyed.

Hon. Mr. GRIESBACH: Honourable gentlemen, I should like to take the opportunity presented by the discussion of this Bill to draw the attention of the honourable leader of the Government to another item of importation on which I think the duty should be reduced. I refer to alcoholic beverages.

When the present scale of duties was put into effect the policy was thought to be ancillary to the prohibition movement throughout the country. It was believed that these duties would help prohibition generally At that time prohibition actually prevailed in the whole of Canada, I think, with the possible exception of Quebec.

The provinces of British Columbia and Alberta and Manitoba have changed from prohibition to a wiser system in the meantime, and other provinces are on the point of turning over, it would seem. Yet these heavy duties tremendously heavy, still exist, while their effect is to encourage smuggling on a wholesale scale.

Hon. Mr. DANDURAND: And moonshining.

Hon. Mr. GRIESBACH: And moonshining, making it almost impossible, or at all events very difficult, to enforce what we may call the moderation laws which now exist. In view of the increased consumption that should be expected from the abolition of prohibition, I think that if the Government were to substantially reduce the duties on alcoholic beverages there would be two results: first, you would make it possible for those provinces with a reasonable liquor law to enforce their law; and, in the second place, by reason of the increased importation that might be expected there would be no substantial falling off in the revenues of the Government from this particular item.

Just to-day I happened to receive from Alberta, three petitions which were forwarded

to various Ministers who had to do with the preparation of the tariff and other things; but I am glad to take this opportunity of drawing the attention of the honourable leader of the Government to this matter. I am sure that he at all events will be quite sympathetic.

Hon. Mr. CASGRAIN: As a good protectionist I do not believe in abolishing the duties on alcohol. I think they should be left as they are on all foreign articles, but we should diminish the excise duty on rye or any other alcoholic liquor that is manufactured in Canada, because when you buy a bottle of Scotch, for instance, you pay your money and Scotland gets it.

Hon. Mr. GRIESBACH: Not always.

Hon. Mr. CASGRAIN: Who does?

Hon Sir JAMES LOUGHEED: We make it here.

Hon. Mr. CASGRAIN: Then it is not duty: it is excise. I am with the honourable gentleman in that—lower the excise on all that is manufactured here, but on the imported alcohol I would keep the duties where they are. Rye and gin are made in this country. We do not make brandy, and France gets the money we pay for that, but for anything that is manufactured here we get the goods just the same, and the money remains in the country. I spoke to Mr. Fielding about that last Session, and I believe that if he had been attending to the Budget this year he would have reduced the excise on alcoholic beverages manufactured in Canada, so that we would have had the spirits and at the same time we would have encouraged home industry, and the money would have remained in the country.

Hon. Mr. GRIESBACH: I am not asking for an abolition of the duties, but for their reduction. I have no objection, however, to the application of the protective principle so long as the price of the liquor to the ultimate consumer is brought within reasonable distance of his capacity to pay.

Hon. Mr. WATSON: And the bootlegger put out of business.

Hon. Mr. DANDURAND: Well, if I could have the assurance, in conveying the wish of my honourable friend from Edmonton, that it is supported by the Senate as a whole, it may have considerable effect on the Minister of Finance.

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, June 24, 1924.

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

Prayers and routine proceedings.

PRIVATE BILL

CONCURRENCE IN COMMONS AMENDMENTS

Hon. G. G. FOSTER moved concurrence in the amendments made by the House of Commons to Bill S2, an Act to incorporate Dominion Electric Protection Company.

He said: Honourable gentlemen, I believe that the amendment made to the Bill by the House of Commons is made at the suggestion of the Attorney General of the Province of Ontario, and that otherwise the Bill is as it was presented in this House.

Hon. Mr. CASGRAIN: It is a private Bill?

Hon. Mr. FOSTER: Yes.

The motion was agreed to.

NATIONAL COAL RESERVE

MOTION FOR SPECIAL COMMITTEE

Hon. RUFUS H. POPE moved:

For a Special Committee of the Senate to enquire and take evidence regarding the national coal reserve in Alberta, and regarding any and all leases, conveyances and other dispositions which may have been made of any portions of such reserve and of all negotiations and proposals for leases, conveyances or renewals of such as heretofore existed.

He said: Honourable gentlemen, in moving this motion I would refer to the remark of the honourable leader of the Government the other day that I would assume the responsibility of asking for this Committee. I really do not know the nature of that responsibility; therefore in my innocence I suppose I assume the fullest responsibility that can be associated with the motion. I did not know that an effort in the public interest, that did not charge any person with any fault, carried with it a very serious parliamentary responsibility. I plead ingnorance of rules and regulations, which possibly I should know more about; but at the same time I may say that this is not a new matter, but is one that has attracted the attention of two Governments and some special Committees during two or three Sessions of Parliament. Therefore it is not necessary for me to go into an extended detail of the circumstances surrounding the proposition that a Special Committee should make some inquiries.

The matter has been very seriously confused by somebody, whoever he may be, or by the action of some Department. I think this

coal reserve, known at one time as the Hoppe leases and at another as the Isenberg leases, is of sufficient national importance, as I have stated over and over again in this House, to justify the giving of the fullest possible information, so that if any mistakes have been made by any Government or any Department, or any of the legislators either in the other place or in this place, they may be remedied, if possible, so that there may be no doubt that this reserve is completely and absolutely in the possession of the nation. Under these circumstances, I feel justified in asking for a special Committee to go further and bring up to date all the information connected with this wonderful proposition.

In 1918, in July, the Isenberg leases were cancelled; in 1919, in January, the Shillington leases were cancelled; and in October, 1919, a coal reserve was created. I think the dates I have given are correct.

The Department, evidently in order to ascertain whether the Isenberg people or the Shillington people or any other set of people who had staked out these leases had properly done their work, sent to Mr. O. S. Finnie—I think that is his name—one of the officials of the Department of Mines, to this particular area, with instructions to make a report. About all that is contained in the report is the statement that both the Isenberg staking and the Shillington staking were well and properly done. Therefore, there is no question at all that those two organizations, for whatever they are worth, complied with the law in so far as staking is concerned. So, we have both of these organizations equal. I have taken some little pains to inquire of the Department as to the legal standing of both these organizations, because while the Shillington leases were cancelled in a certain way, as recommended, I believe, by a Committee of the Senate, it does not follow that a Committee of the Senate is legally in a position to do so. I could not get from the Justice Department a year ago, and I fancy we cannot get to-day, an absolute statement that the cancellation of these leases was legal. I think the members of the Committee which sat last year will remember that we were not able to obtain such an opinion, and that therefore special legislation was introduced. I think, honourable gentlemen, that it was well understood by all who were on that Committee, as well as by those who listened to the report, after the Committee had finished its work, that we had disposed of anybody and everybody who claimed any right in that reserve.

To my very great astonishment, I have discovered that there are six, or seven, or more claims, for all I know, and for all anyone else knows, that have been recognized by the Department. The strange thing is that the recognition of these claims took place, not before, but after the reservation. I refer to the statement laid upon the Table:

> These applications, however, had not been finally dealt with when the Order in Council of the 6th of October following was passed, but an expression of opinion was obtained to the effect that the Order in Council creating the Reserve did not affect applications which had been made prior to the date of such order, and that it was in the discretion of the Minister to decide whether the applications should be refused or accepted.

It is not for me to say what is the responsibility of the Minister, but it does strike me as extraordinary, after all these efforts had been made, by cancellation, to throw out all these people who had staked claims, and to establish a national reserve, that, simply because someone had applied, and had not paid, the application should, as I look upon it, supersede the welfare of this country.

I quite admit, honourable gentlemen, that I am not a lawyer—thank God for that—and I am not a coal miner. I am a simple member of this House, owing to the kindness of a certain gentleman who was one time Premier of Canada. I have no other qualification. Therefore it is not for me to decide. While I am extremely desirous—and no man in this House or the other House is more honestly desirous than I am—of preserving to the public of Canada this reserve, surely it is not for me in a vain moment to assume that I should say what should be done; but a Committee of this House should be appointed to bring this information up to date. If there is any power to remedy what has been neglected in the past, we should remedy it. I know that the Prime Minister of Canada knows better than I do, and probably better than the leader of the Government in this Chamber, that there is an international aspect to this matter. We know that there has been an appeal made to England—we have seen it in the press; but what that appeal is I cannot say. It might run along the line that the rent in all these cases is in arrears. If the Isenberg people, as American citizens, were in good standing—and there is no law which says they were not—when we refused to renew their leases a year ago, or at any other time, and subsequent to that, or at that particular time—it makes no difference—we granted to organizations in Canada the right of ownership within that area, then I say there will be

a serious controversy between this country and the United States upon this question, and that through that controversy we are likely to be driven from the position we occupy.

I think it is but right that a Committee should be appointed to investigate all these details. Under international law, as I understand it, the Isenberg people are as much entitled to consideration as Canadian citizens. Of course, not being the Prime Minister of Canada—unfortunately for Canada—I am not permitted to read international correspondence. I presume our Committee will be refused that privilege also. But the very fact that there is international correspondence, and that we are refused the privilege of looking at it, warrants me, I say, in assuming that there is a danger, and in saying that if we can avoid that danger by counsel among seven or eight members of this House, it is only wise and right that we should do so.

If I were to read newspapers—which I am not going to do—if I were to read a dozen articles which have been sent to me, I would imagine that a tremendous scandal existed in connection with this. But that is not the position I take. The leader of the Government the other day said we had nothing to do with newspaper reports. I do not quite agree with him. While newspaper reports do not direct us in our actions, I would say that we would be going too far if we closed our eyes and ears to the public press of Canada and assumed that we as members of this, to some extent, self-appointed body were superior to public opinion or the public press. If my honourable friend who leads the Government in this House were to peruse the public press of Canada, he might discover some reason, from a public point of view, why we should clear up this situation. Under the circumstances, if I am in order, I beg to move that the Committee, as per my notice, be composed of Hon. Messieurs Calder, McMeans, Gillis, Lynch-Staunton, Pope, Pardee, Casgrain, Robinson, and G. G. Foster.

Hon. R. DANDURAND: Honourable gentlemen, when last Session we dealt with the mining region called the Hoppe area, and decided to put it under the guardianship of Parliament, I thought we had heard the last of this question. Now, as a paper has been shown to me which dilates on the remarks made by the honourable gentleman from Compton (Hon. Mr. Pope), I will give a few explanations, and very short history of this matter as it came before us in the Senate during the last two Sessions.

Honourable gentlemen will remember that one Hoppe had staked claims upon a certain region in Alberta some 300 miles beyond Edmonton, lying between the Grande Prairie station and Brulé station. The lessees having failed in their payments, their leases were cancelled. The same area was re-staked by some people, and leases were given to one Shillington, of Ottawa, and to C. A. Barnard, of Montreal. After those leases had been granted, a Committee of this House was appointed to investigate the rights of those parties to hold the leases; and after a lengthy inquiry a report was made to this Chamber urging the Government to cancel the Shillington and Barnard leases, and to withdraw that reserve from lease. This was done, and that area was by Order in Council put under the guardianship of the Governor in Council as the National Coal Reserve.

Hon. Sir JAMES LOUGHEED: What date was that?

Hon. Mr. DANDURAND: This reserve was first created by Order in Council dated 1st of July, 1919, P. C. 1369, and included the area comprised in eight coal-mining leases which stood recorded in the names of C. A. Barnard and A. T. Shillington, which leases were cancelled.

When we dealt with the matter last year we had before us that situation—a certain area of land covered by the Hoppe leases—the Shillington and Barnard leases practically covered the same ground—being withdrawn from the possibility of being leased by the Department of the Interior and put into a reserve which could only be disposed of by the Governor in Council.

Last year, at the request of the Minister of the Interior himself, we went one step further, and put that reserve under the guardianship of the Parliament of Canada itself, thereby declaring that no lease or sale of it could take place without an Act of Parliament. I then felt that the matter was closed as far as the Parliament of Canada was concerned.

The first indication I had that the matter would come up again before this Parliament was the notice of the honourable gentleman from Compton, which read as follows:

That he will call the attention of the Government to the extraordinary rumours and information, of apparently undoubted authorities, re the National Coal Reserve in Alberta, commonly known as the Hoppy Mines, covered by the Isenburgs lease, also over an extended area, since included in the same by the Government, and will inquire from the Government for any and all particulars affecting any locations within the area, by whom, and when made, whether the parties were reinstated by paying up their arrears and how long the arrears had been extended, if any new locations have been made, and why, when, and by whom, if there is any correspondence between the

Government of Canada and that of Washington, U.S.A., if so, the nature of it, insofar as it is connected with the Isenburgs lease, located within the National Coal Reserve of Alberta?

In answer to this notice I procured the document which I read to this Chamber on Thursday last; but the question of the honourable gentleman had been on the Order Paper for some days, and just as I was entering the Chamber on Wednesday I looked over this paper, and found that about the time that the Hoppe leases were cancelled there were other leases within the reservation, at a certain distance from the Hoppe mines, upon which there appeared to have been some arrears. Having a single eye to the interest of Canada and the property of the Dominion, I told the honourable gentleman that I had not all the information—as a matter of fact, I had not the latter part of the information from the Department of External Affairs and the question was adjourned. My idea was that the disclosing of this situation to parties who might still have some hopes of obtaining redress for the cancellation of the Hoppe lease would enable those persons to take advantage of this information. I had a conversation with the honourable gentleman in order to indicate to him that in the interest of Canada there was perhaps a certain reason why these documents should not be laid on the Table of the Senate; but he informed me that on the 15th day of May last the same information had been brought down in the House of Commons. On perusing the House of Commons Hansard I found that this information was absolutely exact; hence my diffidence in bringing down the document entirely disappeared, and I told the honourable gentleman I was ready to table the information.

As I brought down the information I found that the arrears that seemed to have appeared from year to year against those leases were brought down to December, 1921; so I asked myself why this information was not brought down to date. I therefore asked Mr. Rowatt, the Superintendent of that Branch of the Department of the Interior, why the figures did not appear to date, and his answer was one against which there was nothing to say: it was that he had been asked to return the arrears that appeared against those leases from time to time, but, as there had been no arrears during 1922 and 1923, of course he could not indicate any. I asked him to send me a statement to that effect. This statement I will lay on the Table of the House, giving in seven different sheets the history of each of those leases, and the dates at which rental was due and paid. Mr. Rowatt says that usually a month is allowed before a notice is sent to a party that he is in arrear and should pay; and I find, when I take the first one, that it runs thus—

Hon. Mr. GRIESBACH: Are you talking about the Isenberg lease now?

Hon. Mr. DANDURAND: No, I am talking of the seven leases which we find to exist at this date in the large area which is known as the Hoppe Reserve.

Hon. Sir JAMES LOUGHEED: This is included in what is called the National Reservation?

Hon. Mr. DANDURAND: Yes; it was extended in October, 1919. On the first of July a certain area comprising the Hoppe lands was reserved and withdrawn from leasehold, but in October following the larger area was included in that reserve.

Hon. Mr. BRADBURY: This was at the suggestion of Mr. Meighen, following a survey and recommendation, I understand.

Hon. Mr. DANDURAND: That I do not know. I find that the area was enlarged to a considerable extent by the Order in Council of the 6th of October, if I am not mistaken.

Hon. Mr. GRIESBACH: And this increased area included seven current leases?

Hon. Mr. DANDURAND: Seven current leases.

Hon. Mr. GRIESBACH: In good standing?

Hon. Mr. DANDURAND: Well, there were four which had been granted some time previous to the 6th of October, 1919 and there applications had been made on the 5th of June, 1919. The statement which I read discloses the fact that the law officer of the Department stated that the reservation of the 6th of October, 1919, did not prevent those people who had made application for those three leases from acquiring certain rights; and on the 20th February, 1920, those three parties who had applied on the 5th of June, 1919, were granted their title.

Hon. Mr. BRADBURY: I understand that before those leases were granted the matter was referred to the legal head of the Department. Can the honourable gentleman tell the House whether the matter was referred to the Department of Justice?

Hon. Mr. DANDURAND: No, I can not. All the information I have is contained in these paragraphs of the statement signed by Mr. Rowatt:

On the 5th of June, 1919, prior to the date upon which the reservation was created, three applications were received in the Department of the Interior for

leases of coal mining rights within the townships above described, the available portions of which townships were subsequently included in the reservation.

These applications, however, had not been finally dealt with when the Order in Council of the 6th October following was passed, but an expression of opinion was obtained to the effect that the Order in Council creating the reserve did not affect applications which had been made prior to the date of such Order, and that it was therefore within the discretion of the Minister to decide whether the applications should be refused or accepted. The Minister agreed with the opinion expressed that the Department had no other course but to consider any application filed in strict conformity with the regulations prior to the date upon which the above reservation was first created, and under this agreement the following leases were issued.

Hon. Mr. GRIESBACH: What is the area of those three leases, by square miles or acres?

Hon. Mr. DANDURAND: Each of those three leases covers 1280 acres. I mentioned the other day that the territory covered by the whole reserve is 290,000 acres, and the seven leases comprise 7580 acres.

Reverting to the situation of these leases, it will be shown that the arrears on each of them were simply for a part of each year, in some cases a very short part, but that they were within a certain time paid up. Take the first lease. On October 19, 1913, the amount due was $1280, and on the 14th of January, 1914, $1279.75 was paid. Another sum of 25 cents was paid on November 18, 1914. The arrears were reckoned as due on the 19th of each October, and in the second year the arrears were paid on the 17th May, 1915. The arrears of October 19, 1915, were paid on September 29, 1916. Those of October 19, 1916, were paid on June 16, 1917. Those of October 19, 1917, were paid on December 26, 1918. Those of October 19, 1918, were paid on December 26, 1918. The amount due on October 19, 1919, was paid in three sums—November, 1919, April, 1920, and July, 1920. The amount due on October 19, 1920, was paid on November 20, 1920. The amount due on October 19, 1921, was paid on November 11, 1921, that is, within the month, which is allowed. The amount due October 19, 1922, was paid on November, 11, 1922, within the month so that there were no arrears. The amount due on October 19, 1923, was paid on November 14, 1923.

Hon. Mr. GRIESBACH: I want to get this clear in my mind. The honourable gentleman speaks of applications being in hand before the area was declared a reserve, and it was so declared in 1919 and 1920. Why does he mention payments away back in 1914, 1915, and 1916.

Hon. Mr. DANDURAND: I read the sheet concerning one of the four leases that were granted long before the reservation. I could take one that was granted later.

Hon. Mr. GRIESBACH: There can be no discussion about the four that were granted previous to the declaration of the area. Any discussion will be as to the wisdom of approving of those applications after the area was declared a reserve.

Hon. Mr. DANDURAND: Now I will turn to one of those three leases granted on the 20th of February, 1920, after the reserve had been made. On the 20th of February, 1921, a year's rental became due—$315.95. It was paid on the 4th of May, 1921. On the 10th of December, 1921, $964.05 was paid. On the 20th of February, 1922, there was another year's rental due—$1,280. It was paid on the 13th of March, 1922. The amount due on the 20th of February, 1923, was paid on the 9th of March, 1923. What was due on the 20th of February, 1924, was paid on the 6th of March. What I have read regarding the one lease applies also to the other two leases. In fact, they seem to be due on the same dates, and the payments on them may have been covered by the same cheque. The three leases appear to have been transferred to the Blue Diamond Coal Company, Limited; so that when they sent their payment for one lease, they probably sent a cheque to cover all three.

Hon. Mr. McMEANS: Can the honourable gentleman tell me how long the applications were made before this reserve was set aside as a national area?

Hon. Mr. DANDURAND: On the 5th of June, 1919.

Hon. Mr. McMEANS: The applications were first made then?

Hon. Mr. DANDURAND: For these three leases that I have last mentioned. The reservation was made on the 6th or 8th of October; and the leases were given on the 20th of February following—that is, in 1920.

Hon. Mr. BEIQUE: Under what statute was the reservation made?

Hon. Mr. DANDURAND: That was by Order in Council.

Hon. Mr. BRADBURY: Can the honourable gentleman tell the House exactly when the Hoppe leases were cancelled? I forget the date.

Hon. Mr. DANDURAND: The statement I have here does not give the information. It begins, in answer to the honourable gentleman's question, with the establishment of the National Coal Reserve, which was made by Order in Council of the 1st of July, 1919.

The existence of those seven leases was brought to my attention by the question of the honourable gentleman from Bedford (Hon. Mr. Pope). They appear on the blue-print which I have submitted to this Chamber.

I gathered from the honourable gentleman's speech of last Thursday that he had in mind two grievances which he wished to have investigated. He claimed that those three leases which had been applied for before the reservation was made should not have been granted after the reservation—in October, 1919. He further claimed that those seven leases should have been cancelled when they were in arrear, on the same principle or for the same reason as the Hoppe leases. In his statement of to-day, he assigns these reasons for his inquiry. He asks why and under what conditions were those three leases, which had been applied for prior to the reservation, granted after the territory covered by them had been reserved by Order in Council of February, 1920? Why were these leases maintained when they were in arrear? My answer is that they were for a short while in arrear, but no more so than the generality of leases, and the payments were made in accordance with the practice of the Department. Furthermore, I have brought down to date the statement, which shows that since the 1st of January, 1922, there have been no arrears whatever.

These are the facts. My honourable friend has asked for the appointment of a Committee to probe the situation, because he feels that there are in it some clouds which ought to be dissipated. I had, as I have said, some diffidence about bringing this statement to this House before I became aware that it had already been laid on the Table of the other Chamber, inasmuch as I felt that members of Parliament owed a duty to the State first and foremost. When I found that this information was already in the possession of the public, I brought it down to this House. I have now brought the information to date, in order to show the present situation regarding these seven leases. If I was doubtful of the propriety of making public this information, which might be utilized by any interested parties in setting up a claim regarding past cancellations, I have still greater objection to the whole trend of the argument of the honourable gentleman from Bedford, who has made a persistent effort to shake the legal position of the Government of Canada in respect to these leases. No party having the slightest interest in any attempt to revive the Hoppe leases could have made a better argument for that than the honourable gentleman from Bedford has made. However, that is his own concern. He may plead that he is not a lawyer. He has thanked the Almighty that he is not.

Hon. Mr. POPE: Hear, hear.

Hon. Mr. DANDURAND: He may not have observed, what those who listened to him felt, that it was a strong argument to try to weaken the position that this parliament took last year, in putting an end to that suit which was before the Exchequer Court and placing this area under the guardianship of Parliament. People outside who are prone to see in public life things that are obscure, mysterious, and corrupt, seize upon anything which may besmirch the reputation of public men. I observe that some newspapers are asking—since the honourable gentleman has brought up the matter in this Chamber—if there should not be an investigation of it. Personally I feel that we have done all that could be expected of us in protecting the public domain in this matter. In placing this reservation under the guardianship of the Canadian Parliament, we have, I think, fulfilled our duty to our country. I know that last year a certain gentleman who claimed to have rights in these Isenberg or Hoppe leases sent a representative to London to try to negotiate a sale. I was instrumental in having a cablegram sent to the High Commissioner for Canada requesting him to inform the parties that this was a litigious matter, and that they should be very careful before investing in such a debatable proposition.

The Senate will notice that my honourable friend's inquiry refers to the manner in which three leases were granted on the 20th of February, 1920, and the manner in which they were treated up to the 31st of December, 1921. I am not the guardian of the reputation and honour of the Government that preceded the present one. I am at present the guardian of the honour of the Government which I represent. Since the 21st of January, 1922, there have been no arrears, even for a day, against those seven leases.

I will abide by whatever the majority of this Chamber decide is proper to do with this motion. It is for the Senate to decide whether there would be any advantage to our reputation, which I think is not attacked, in passing this motion, or whether an investigation would be of any advantage in strengthening the claim of the Isenberg estate, or otherwise. If there is the least suspicion in the mind of any honourable Senator—for instance, the honourable gentleman from Bedford—as to the integrity of some of his leaders, I

will be content to join with the majority in this Chamber in supporting a motion for an investigation, because I feel that the reputation of the leaders of any party, whether it is one to which I belong or not, is a national asset which cannot be besmirched with impunity.

The Hon. the SPEAKER: It may perhaps assist the Senate in the discussion of this matter to refer to the plans of the leases. The Clerk has placed in my hands copies of the plans in question, and if any honourable gentlemen wish to refer to them, they will be here for their information.

Hon. GEO. H. BRADBURY: Honourable gentlemen, as one who has had something to do in connection with the famous Hoppe lease question, I was surprised when I noticed on the Order Paper the motion of my honourable friend. Until then I had no intimation and no feeling that there was anything wrong, or that there could be anything wrong, in connection with this matter. I felt that Parliament had dealt with it last year in such a manner as to make it absolutely impossible for the Department or the Minister in any way to interfere, and that the area comprised in the old Hoppe leases, and the additional area set aside by Mr. Meighen, after a close investigation by his engineers, were absolutely safe, so far as the people of Canada were concerned.

However, agitation has continued from time to time in regard to this matter. It is possible that honourable gentlemen who are not perhaps in touch with affairs in the city of Ottawa, as I have been during the last two or three years, might be easily misled. One of the newspapers in the city of Ottawa has from time to time published letters emanating from a man who, according to his sworn statement, was closely indentified with this matter, expecting to clean up a cool million of dollars on the sale of the Hoppe leases. Naturally, when Parliament took the action it did, to make it impossible to restore the Hoppe leases to the original claimant, this gentleman was very much aggrieved, and from time to time we have had long emanations from him in one of the city papers. It is regrettable that reputable papers will publish letters of this kind—letters which reflect upon the honour of every public man in Canada. There were veiled threats, insinuations, and inuendoes all through those letters—when an investigation took place it was to reveal a condition worse than the famous Teapot Dome scandal which occurred on the other side of the line. I say it is regrettable that any reputable paper should publish such letters, when it is so easy to secure information that would show the absolute falsity of the statement.

I noticed a day or two ago an editorial in the same paper practically calling for another investigation. I do not know what good purpose is to be served by another committee of inquiry. The map which I hold in my hand, and which has been prepared by Mr. Rowatt, Chief of the Mining Branch, speaks for itself. It shows clearly the old Hoppe leases. Every honourable gentleman knows what has occurred in connection with those leases, because this body deserves and has the credit of having saved these areas when the Shillington matter was before the House; and the leases were cancelled on account of the way the information had been secured and the claims staked. So we know that these areas were made absolutely safe for the people of Canada. The action taken by the Senate last year fixed that matter.

A little history will take me only a few moments. When this matter was investigated and Mr. Meighen became aware of the enormity of the crime that was attempted to be perpetrated on the people, in the alienation of these very valuable coal areas, he immediately, as every honourable gentlemen knows, cancelled the Shillington lease. Not satisfied with that, he then sent engineers onto the ground and they made an exhaustive survey and report; at least, we were led to believe that they had done so. I admit frankly what my honourable friend says about the report. The report furnished by Mr. Finnie is very vague: you cannot learn very much from it. At any rate, the upshot was that when he came back and recommended a larger reserve Mr. Meighen created this reserve, which contains nearly 300,000 acres of land. I think it comprises 290,000 acres. Frankly, I admit my very great surprise, but the facts are there. It seems that before this reservation was created there had already been leases staked in this reservation, some of which were in good standing, the rental having been paid for a number of years—from 1914, I think. There can be no real question in regard to those leases which were in good standing at that time.

Hon. Mr. GIRROIR: Were they leases or applications for leases?

Hon. Mr. BRADBURY: The last three were applications. The others were leases, I understand, and the Department was receiving the rent from 1914 until we made this reservation, and I presume the rent has been paid since. But, as I say, I admit frankly that when I picked up this map

and realized that one of the last leases granted covered a part of the original Hoppe lease, I wondered why the application was ever accepted. I admit that, according to the statement, the application had been made before the reservation was made. But while that is true, the application was made after the Hoppe lease had been cancelled. The men who made those applications got onto the ground in just the same way that Shillington did—perhaps not through the same information; as to that I do not know; but the application was made between the time the Hoppe leases were cancelled and the time when the reservation was made. That being so, it is very doubtful to my mind whether the Department had authority or power to grant leases on those applications.

That is the only question that is bothering me at the moment. I am convinced that everything has been absolutely aboveboard and straight; but I do question the wisdom and the authority of granting these last three leases, and I would ask the leader of the Government to go into that matter, and find out from the Justice Department whether there was any power authorizing the granting of these three last leases in the face of the reservation made by Order in Council.

There is a great deal more than could be said, but I do not think there is much to be gained by continuing the discussion. I regret exceedingly that anything should be done to create the slightest doubt as to the right of Parliament to take the action which it took last year. There is no doubt that if Parliament had not proceeded as it did, but had given the slightest chance for the alienation of these valuable areas from the Crown, on a technicality, it would have been recreant to the trust imposed in it by the people. Consequently I am satisfied that when the Government accepted the amendment urged so strongly by the Senate, not only last year, when the Minister came down and asked that it should be placed in the Bill, but the year previous to that, I am sorry indeed that anything should be done in this House to strengthen the feeling that some people have been trying to create throughout the country that some injustice has been done in regard to this matter. The leader of the Opposition did all that man could do to induce the Government two years ago to place this safeguard in the legislation. This is not a matter between the old Isenberg estate and the people of Canada, but one between a few men who see the chance of making a lot of money very easily. Why anybody should be interested in men of that stamp—and I do not believe anyone in this House is interested—is more than I can understand. There has been absolutely no injustice done. Everything has been clean and aboveboard, and if Parliament had done otherwise than it did, as I said before, it would have been derelict in its duty.

But there is one question that keeps recurring in my mind, namely, what power had the Department to grant those last three leases? When we were told about this great reservation of 290,000 acres, formerly the Hoppe leases, I am sure that everyone felt that every acre of that land was in the reservation. We had no intimation that there were any leases already granted in that area. We thought these coal areas were held in trust for the people. Honourable gentlemen will realize that for many years there has been a strong feeling throughout the country that the Government of Canada has been time after time too anxious and willing to alienate public lands for the use of speculators. Men got coal areas and timber limits at a nominal rental and held them year after year. Why should any group of men be allowed to secure a lease? There are 7,000 odd acres now under lease in this valuable area. Honourable gentlemen, we have started out in a good work—we have done a grand work for the people of Canada; and we should go further, and, if there is no other way of securing these areas to the people, we should ask the Government to demand that the holders of these leases produce so many tons of coal per year for every acre they have in accordance with one of the terms of the lease. That might seem to be a hardship, but I think that in the interest of the people of Canada every inch of that great area should be an assured reservation. It might be only fair to pay back to these gentlemen all the money they have paid in, and to give them interest on it; but I submit that the people of Canada should control that great reservation.

I am not going to continue the discussion. I fail to see what Committee opening up this question again could accomplish.

Hon. WILLIAM ROCHE: Honourable gentlemen, of course we are all impressed by the eucharistic deprecation of the proposer of this inquiry, that he, thank God, was not a lawyer. Perhaps we joined in that also, in the belief that if the qualifications of a lawyer were added to the information and volubility of my honourable friend, not many other members of the Senate would have an opportunity of offering any remarks on any subject. To show the sincerity of the honourable gentleman's deprecation, he immediately proposed

the appointment of a Committee composed altogether of lawyers—and if I might be allowed to venture a remark, the gentlemen who were proposed, in addition to having the stigma of being lawyers, were from portions of the country where there are no coal areas. They were mostly from Ontario, and I think the most ardent exploiter of the resources of Ontario would admit that there is no coal there.

As an outsider, I would first of all like to know whether the authority that cancelled the leases in the first instance had recognized power to cancel those leases absolutely. That would settle the question. If there was such power, irrespective of custom in the Department or anywhere else, that would end the matter so far as the re-possession of the leases would go. I would like to inquire also, as an outsider, what were the terms of the leases? Were the leases granted for the land, or were they granted for the seams of coal under the land, with the mineral rights reserved? Were the terms of the leases to the effect that the royalty or annual sum was to be paid at a certain date? If the payments were by instalments, in dribs and drabs, that would not alter the terms of the contract. In our country, where there is the best of coal, the Government reserves the minerals, and the land proprietors hold their land, notwithstanding that there may be miners with rights underneath. My honourable friend who comes from Cape Breton (Hon. Mr. McLennan), and who knows something about coal, may be able to corroborate what I say.

I would like to know—because a lot of vague information has been given about these coal areas—first of all, how many seams of coal are there?

Hon. Mr. COTE: Six.

Hon. Mr. ROCHE: What is the dip and depth of the seams? What is the extent of the basin in which the coal is found? Does it extend all over the territory, or is it confined to this area where the coal has been found at the outcrop, or has been sunk for, or is known to exist? These are practical considerations. The motion for the appointment of a legal committee to inquire into whether certain contracts have been fulfilled is very vague. We know nothing of the value of the property concerned, we know nothing of its value to the Government or to the individuals.

Hon. Mr. BRADBURY: My honourable friend has forgotten that two years ago we had a Committee, and that all that information is on file.

Hon. Mr. ROCHE: I know it is on file, but my honourable friend has not the information, and I have not the information. I would like to have information on the points I have raised, because they are practical points and really decide the whole matter. There may be the legal question, but there is the question of the money value involved. If anyone can give me information on those points, I would like to have it, because it would settle my mind, and I think it would also affect the minds and the actions of a number of honourable members of this House who do not profess the felicity of either being lawyers or being informed as to the legal rights of the various conflicting parties in this matter.

Hon. J. S. McLENNAN: I would like to take literally two minutes of the time of the House to associate myself entirely with the remarks of the honourable Senator from Selkirk (Hon. Mr. Bradbury) in so far as he spoke of the vast importance to this country, late as it is, of taking care of such of our natural resources as we have left.

I noticed that the honourable leader of the House said, in speaking of a report from the officials of the Department to the Minister, that there was nothing to prevent the Department granting certain leases which broke into this area, which it was the intention of the Government of the day to preserve, and which it was enormously to the advantage of the country to preserve. It seems to me that the endeavour of the Department ought to be, not to see how they can give everything away by taking advantage of the text of the regulation, but to carry out the sound policy of Parliament in preserving, as far as may be, the land over which there is some question.

Hon. G. D. ROBERTSON: Speaking to the subject before the House, namely, the desirability or otherwise of appointing a special Committee, as suggested in the motion of the honourable gentleman from Bedford (Hon. Mr. Pope), there are two reasons in my mind why I think we should hesitate before reaching a conclusion, particularly if it is to appoint a Committee. One is that there is no specific complaint or charge before the House against any person or persons, and that I question the desirability of the House appointing a Committee to investigate something of a general character. The second reason is that the honourable gentleman from Bedford points out clearly that certain complications might arise by reason of apparent discrimination. My recollection of the previous discussion in this House is very clear, and is to the effect that the so-called Isenberg or Hoppe leases were not cancelled only because the lessees were delinquent in their payments, but because it was clearly established in the minds of the

Minister and of the Government at that time that the owners of the leases were not only not friends but enemies of Canada in time of war. I think Canada was amply justified in cancelling those leases had no others been cancelled. The honourable gentleman should take that into consideration, and he should also make some specific statement as to what he intends to investigate and expects to prove, before asking the House to pass upon the appointment of a Committee. I hesitate to oppose the motion of the honourable gentleman, but I hesitate still more to support an investigation when there is no clear-cut charge before the House to be investigated.

Hon. Mr. GORDON: I understand that the yellow lines on this map enclose the reservation which was made, but I find that leases of eight of those locations have been granted, three of them in 1920. At the time when this property was reserved, was it specifically mentioned that these applications, as they then existed, would not be interfered with?

Hon. Mr. DANDURAND: I have not before me the Order in Council creating the reserve, but apparently it dealt with the land in the state in which it was; and parties who already had leases continued to enjoy the advantage of them, because it appears from the statement I have laid on the Table that they continued to pay rentals for their leases from year to year, and to get receipts up to this date. I therefore conclude that their rights have not been affected by that reservation.

Hon. Mr. GORDON: Then their rights superseded the Order in Council which made this reserve?

Hon. W. B. ROSS: No, the other way; the Order in Council could not take away their rights.

Hon. Mr. GORDON: But if the Order in Council was so worded that it made a reservation out of the territory included within these yellow lines, and did not specifically reserve these other claims of the different parties, then what prevailed?

Hon. Mr. DANDURAND: The Order in Council could not act in lieu of a cancellation.

Hon. Mr. GORDON: I notice, further, that Claim No. 1675 is part of the Hoppe claim.

Hon. Mr. BRADBURY: Just one word in answer to my honourable friend. I made inquiries regarding the question he has raised, and was informed that the Order in Council making the reservation was worded in such a way as to take all the available land in the reservation. Of course, those lands under lease were not available.

Hon. M. ROBERTSON.

Hon. Mr. GRIESBACH: Can the honourable leader of the Government say whether or not any applications are pending, or possible of presentation, that might result in future in granting fresh leases, or are we now done with all possible claims for leases?

Hon. Mr. DANDURAND: I take it for granted that the area included in the Act of Parliament creating that reservation, and putting it under the authority of Parliament, cannot be invaded except through the will of Parliament.

Hon. Mr. GRIESBACH: That is not quite my question. Is the Government aware that there are in existence claims not unlike the claims upon which any of the three leases was made? Are we done with such claims now? Can there be any further leases issued in this area as the other ones were issued?

Hon. Mr. DANDURAND: I would unhesitatingly answer in the negative, because the question has been put, "What, if any, are the leases that cover this area?" And the answer is, "Seven leases, which were issued at certain specific dates."

Hon. Mr. BEIQUE: I do not think it is necessary to go to the extent of having a Committee to inquire into this question; but I do think it would be advisable for this honourable House, because of the interest it has taken in these lands, to learn from the Department of Justice under what authority the three leases were granted, because we would naturally think that the authority was very questionable.

Hon. Mr. DANDURAND: The only authority or justification appeared to be in the fact of anterior application. I do not know what it is worth legally, but I will ask the Department of the Interior as well as the Department of Justice to pass upon the validity of those three leases which were granted subsequently.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it is not very often that I am not in accord with my honourable friend from Bedford (Hon. Mr. Pope), and I regret to say that the discussion of this motion to-day is the first intimation I have had of this matter. I did not have the opportunity of discussing it with my honourable friend who has moved the motion, nor of looking into the subject in any way whatsoever. Suffice it to say that the motion is practically an attack upon the administration of the late Government, of which my honourable friend from Welland (Hon. Mr. Robertson) and myself were members, and very naturally we are desirous of vindicating whatever that Government may have

done. To vote for this motion would clearly be to stultify the action of that Government of which one was a member, and that would scarcely be expected, no matter what might be the sympathy between the mover of the motion and one's self.

I have never attached very much importance to a reservation made by an Order in Council, which can be rescinded as easily as it is made, without the knowledge of Parliament or anybody outside the Council Chamber. I happened to be Minister of the Interior when this matter was more or less in a state of ferment, and upon considering the matter from the standpoint of preserving those coal areas for future development in the interest of the Dominion, it became quite apparent that the Order in Council in no way protected this magnificent property from alienation to private interests. That became quite apparent in this House in 1922, I think it was, when the subject came up for discussion in connection with amendments to the Dominion Lands Act. At least some honourable gentlemen seemed to labour under the very happy illusion that these lands were safely protected but I understand it was pointed out to the Senate at that time that there was no protection whatever. Take, for instance, the leases. If there had been any question as to the invalidity of the applications or of the leases which had been granted, the Council would have granted an Order in Council giving them the necessary validity. All that the Minister of the Interior had to do was to recommend to Council that an Order in Council be passed giving force and virtue to the leases, notwithstanding that they had not been issued in pursuance of the original Order in Council.

But when this property was placed under the protection of the Parliament of Canada a different situation at once arose. The matter was taken out of the hands of the Department of the Interior, out of the hands of the Minister of the Interior, out of the hands of the Government, out of the hands of the Privy Council, and no alienation can be made of this property now except with the consent of Parliament. Consequently I never regarded this property as in any way protected until the legislation of last Session was passed, and I cannot express too strongly the appreciation which I had of the action of the Government last Session in practically receding from the position which they had taken in the previous Session. They had refused to place this property under the direction of Parliament, but last Session they submitted to the sentiment which had been expressed, not only on the floor of this Chamber but on the floor of the Commons, that that should be done. It is always gratifying to find that a Government does not consider itself so impeccable or invulnerable as to absolutely refuse to recede from a position it has taken. I said I had a very great appreciation of the recession, so to speak, of the Government in placing this matter in the position which it did.

In addition to one not being willing to stultify himself by voting for this motion, the effect of which would be to give encouragement to a report against the Government to which he belonged, the question arises, what can the Senate do in such a matter? What would be the effect of a report of the Senate, even though they might find that an irregularity had taken place, or that the leases had not been issued? It would not affect the matter in the slightest degree beyond voicing the opinion of the Senate. If the applications warranted the granting of the leases, and those leases had been duly granted, it would not affect the validity of that step in the slightest degree. Therefore it seems to me that the Government must assume the responsibility of either maintaining or repudiating these leases. It is for the present Government to say whether they are going to maintain the leases, or whether, in view of the inquiry they may have made as to the methods pursued in granting the leases, they will repudiate them.

Allow me to make a short observation as to the other question, which was considerably stressed by my honourable friend from Bedford in discussing this matter. That is, as to the discretion exercised by the late Government in cancelling the Isenberg leases known as the Hoppe leases, and in cancelling other leases when a short default took place. The exercise of discretion by a Department or a Government cannot be attacked in this manner. What may warrant discretion being exercised in one case may not warrant its exercise in another. In this particular case discretion was exercised by the Government upon default being made, but Isenberg and Hoppe were alien enemies, and, from the information which I had, the Government of the day was in possession of the most incontrovertible evidence during the war that those men were dangerous alien enemies. Consequently it was only a patriotic act on the part of the Government, and a reasonable act, to cancel those leases when substantial default had been made in the payment of rent. The same reasoning would not neces-

sarily apply to the cancellation of the other leases. It does not follow, because citizens of Canada may have leases, and may fall into default, that cancellation must take place for the same reason that applied to the Hoppe leases.

I simply make these few remarks, honourable gentlemen, so as to indicate to the House and to my honourable friend from Bedford that, in view of the fact that the act which he is criticizing was an act of the late Government of which I was a member, I do not propose to stultify myself, but rather to vindicate the action of that Government by voting against the motion.

The motion was negatived.

EXCHEQUER COURT BILL

FIRST READING

Bill 116, an Act to amend The Exchequer Court Act.—Hon. Mr. Dandurand.

CONSOLIDATED REVENUE BILL

FIRST READING

Bill 198, an Act to amend The Consolidated Revenue and Audit Act.—Hon. Mr. Dandurand.

INDUSTRIAL DISPUTES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.

Hon. W. B. ROSS: Honourable gentlemen, I have an amendment to propose to this Bill. It is the same as an amendment that was presented to the House a few days ago, and voted down by 16 against 14. That vote was taken in Committee, and shortly after 6 o'clock, when a large number of members had left the Chamber.

I think I can explain the amendment very briefly, in view of the fact that it was fully discussed last year, when it was carried in this House. It relates to the selection of the third arbitrator when a Board is asked for and is granted under Chapter 20 the Act of 1907. For the benefit of members who were not in the House last year, and perhaps have not the Act before them, I think it will shorten matters if I read first the section as it stands to-day, and then read my amendment.

The section I propose to ask this House to amend is section 8 of chapter 20 of 1907, the Industrial Disputes Investigation Act. This is the section:

> 8. For the purposes of appointment of the members of the Board, the following provisions shall apply:
> 1. Each party to the dispute may, at the time of making application or within five days after being requested so to do by the Minister, recommend the name of one person who is willing and ready to act as a member of the Board, and the Minister shall appoint such person a member of the Board.

The matter dealt with is between capital and labour: the representatives of labour recommend one arbitrator, the capitalists another, and the Minister appoints those men. It is not proposed to interfere with that: Labour will have one man, and the employer will have his man, each selected by the respective parties, and of course the Minister would have to ratify their nomination as a matter of course.

Subsection 2 says:

> 2. If either of the parties fails or neglects to duly make any recommendation within the said period, or such extension thereof as the Minister, on cause shown, grants, the Minister shall, as soon thereafter as possible, appoint a fit person to be a member of the Board; and such member shall be deemed to be appointed on the recommendation of the said party.

That is, if either side fails to make a recommendation within a certain time, then the Minister makes the appointment. It is in this respect that I propose the first change, namely, that where they fail to make a recommendation the appointment would be made, not by the Minister, but by the Chief Justice of a Province or the Chief Justice of Canada. Now comes the clause relating to the umpire:

> The members chosen on the recommendation of the parties may, within five days after their appointment, recommend the name of one person who is willing and ready to act as a third member of the Board, and the Minister shall appoint such person a member of the Board.

It is not proposed to interfere with that.

> If the members chosen on the recommendation of the parties fail or neglect to duly make any recommendation within the said period, or such extension thereof as the Minister on cause shown, grants, the Minister shall, as soon thereafter as possible, appoint a fit person to be a third member of the Board, and such member shall be deemed to be appointed on the recommendation of the two other members of the Board.

There are two things there. My amendment relates first to the selection of a man on each side. At present, if either side fails to nominate, the Minister of Labour makes the appointment. I propose that that appointment shall be made by the Chief Justice. Then, as to the umpire, it is provided in the Act that if the two members selected fail to make a joint nomination, the Minister of Labour makes the appointment of the third member. I propose that that shall be done by the Chief Justice.

I have taken the trouble to examine the Arbitration Acts in all the provinces of Canada and in Great Britain. In the Old Country, if the parties to an arbitration cannot

agree on an umpire, he is appointed by the Court. It is so in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and New Brunswick. In Prince Edward Island it is a little doubtful just how the thing is done. The only variation is in the Province of Quebec. Under the Arbitration Acts the appointment is made by a judge, but under the Conciliation Act of the Province of Quebec, as I understand it, the appointment is made by the Minister of Public Works. However, there is perfect unanimity in all the English-speaking provinces and in the Old Country.

The reason for that is, I think, quite apparent. Suppose a Board is being formed. Labour and capital have their representatives. As long as human nature is human nature, the representative of labour will strive to present the best case he can for labour, and he is not going to be very judicial about it. It is equally true that the representative of capital will press his side as hard as he can. It is important that the third man should be impartial, or as impartial as it is possible for a man to be; that he should be able to weigh the arguments on both sides and perhaps arrive at a middle course. Sometimes the present Act might operate in favour of labour. That is to say, if the position of Minister of Labour is occupied by a man in sympathy with labour, or if the Government of the day is leaning that way, labour will in all probability have an advantage in the selection that would be made. But it is quite easy to see that the situation might change any day, and the Minister of Labour or the Government of the day might be somewhat hostile to labour and smpathetic with capital; in which case labour would be at a disadvantage, just as capital would be in the other case that I have cited. I think it is undesirable that the law should permit of that.

The nearest approach we can make towards doing what is just in this respect is to leave the law as it is with regard to each side selecting its own man, and then provide that the Chief Justice shall appoint the umpire. I have referred to what has been done in other countries, but I am more inclined to appeal to the sense of justice and fair play that is in the mind of every honourable member of this House, and to ask honourable gentlemen to deal with this thing with a view to what they think is fair and reasonable between man and man, no matter what is done elsewhere.

With these few remarks I move the amendment. Having read the Act, perhaps I had better read the amendment, which is short. Subsection 2 is the clause that I have referred to:

> Subsection 2 is repealed and the following substituted therefor:
>
> If either of the parties fails or neglects to duly make any recommendation within the said period, or such extension thereof as the Minister, on cause shown, grants, the Chief Justice of the province in which the dispute arose—

That is, not the Minister of Labour, but the Chief Justice—

> or, if there be no such Chief Justice in that province, the Chief Justice of the highest court of last resort in civil matters in that province, or, in any case where the dispute did not arise in one province only, the Chief Justice of the Supreme Court of Canada, shall as soon thereafter as possible appoint a fit person to be a member of the Board, and such member shall be deemed to be appointed on the recommendation of the parties.

That disposes of the first point that I mentioned.

> Subsection 4 of the said section 8 is repealed and the following substituted therefor:
>
> If the members chosen on the recommendation of the parties fail or neglect to duly make any recommendation within the said period, or such extension thereof as the Minister, on cause shown, grants, the Chief Justice of the province in which the dispute arose, or, if there be no such Chief Justice in that Province, the Chief Justice of the highest court of last resort in civil matters, or, in any case where the dispute did not arise in one province only, the Chief Justice of the Supreme Court of Canada, shall, as soon thereafter as possible, appoint a fit person to be a third member of the Board—

That is, the umpire—

> —and such member shall be deemed to be appointed on the recommendation of the two other members of the Board.

These are the two main things. There is one little section, in addition, to enable them to be worked out. It is the definition that—

> In subsections 2 and 4 of this Section the expression "Chief Justice" includes any judge duly authorized as and for the Chief Justice.

Honourable gentlemen, I do not want to take up your time further, because I feel that the Senate is quite conversant with this Bill and the proposed amendments.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not want to discuss the proposed amendment now if any honourable member desires to support it by further arguments; but if my honourable friend has conveyed to this Chamber all possible arguments in favour of his amendment, I am ready to answer.

I believe, honourable gentlemen, that the Committee judged rightly when it refused to accept that amendment. My honourable friend may say that the Committee was not composed of the entire membership of this Chamber, but he will agree that there is as much wisdom in part of the Chamber as in the whole.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: That is, in proportion.

Hon. Mr. DANDURAND: I take it for granted that 50 per cent of the membership, after deliberating on a matter, would be likely to come to as good a conclusion as 100 per cent. In fact, I stated the other day my opinion that the Senate could function with 40 per cent less membership.

The Act is under the administration of the Minister of Labour. He has before him the representations of the parties. He knows what is the dispute between them and he strives to bring them into a conciliatory frame of mind. After following the dispute from its inception, why should he be deprived or relieved of the responsibility that attaches to his office? Some honourable members believe that if the Minister comes from the ranks of Labour he will, in the appointment of a Chairman, instinctively lean towards labour. That has not been the practice since 1907. In the majority of cases the Minister of Labour, who belonged to the labour organizations, appointed as chairmen, not persons who came from their own ranks, but members of the judiciary. In 50 per cent of the disputes the Minister of Labour was not required to select the Chairman, because the parties mutually agreed upon the third member of the Board. I recognize that the selection made by the Board members themselves is the best selection, because it creates an atmosphere of confidence in the tribunal and perhaps gives its judgment and report greater influence. But there are occasions when the parties do not agree and have to refer to the Department of Labour, whose duty it then is to elect the third member of the Board. My honourable friend was right in stating that the third member should be neutral. Not having been selected by either party, he occupies the position of an umpire. Why is it better to leave the appointment of the chairman to the Minister of Labour rather than delegate that duty to the Chief Justice of a province or the Chief Justice of the Supreme Court? For two principal reasons.

First, there is the responsibility that attaches to the action of the Minister of Labour. That responsibility, I affirm, is shared by his colleagues in the Cabinet. I do not know of a case which the Minister of Labour does not present to his colleagues, indicating his choice. These gentlemen have, of necessity, the instinct of self-preservation, and understand that their plain duty is to select a person whose influence will carry weight in the community in which the dispute occurs. They are amenable to the judgment of Parliament. A judge of the Supreme Court or the Court of Appeal is not. They are interested in maintaining peace, order and good government, and harmony among the people. They cannot live, or hope to live, in turmoil and dissention. Their primary duty is to maintain peace between the diverse classes that come into conflict in these industrial disputes. Is it not likely that members of the Cabinet, whose primary duty is to do the best they can for the community, and at the same time to protect their own interest, will be very careful in the selection of the Chairman? I think this argument ought to have weight, because it aims at leaving the administration of a ministerial act, which is a political act, on the shoulders of men who are amenable to the criticism of Parliament.

My second reason for opposing the amendment is that a judge of the Supreme Court or the Court of Appeal has in some cases been long removed from the atmosphere of commercial and industrial disputes, and spends his time in the quiet realm of legal pronouncements. If the responsibility for the appointment of the Board Chairman is thrown upon him, he will have to study the situation. This will tend to cause delay, and delay is dangerous, because one of the parties often resents it and is eager to go ahead and exercise its rights. We heard last week what an important part delay plays in such matters.

I do not believe the selection made by a judge in a case which is not within his own sphere of action would be as good a selection as that made by the Cabinet on the recommendation of the Minister of Labour. I am convinced that in many cases the Chief Justice, if the duty of making the appointment were thrown upon him, would turn to the Minister of Labour or some other member of the Cabinet, and ask to be informed of the circumstances, in order that he might be guided in his judgment. Why that roundabout way? We in Parliament have control over the action of the Cabinet. I believe that no harm has been done by leaving the selection to the Minister of Labour, who necessarily consults with his colleagues. I am convinced that, in the interest of prompt action and proper selection, the appointment should be left in the hands of the Minister of Labour. For that reason I trust that the Senate will not reject the recommendation of the Committee of the Whole, but will retain the Bill as it is and refuse to accept the amendment of my honourable friend.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, inasmuch as a vote will probably be taken upon this subject, and as my honourable friend has, as it were, pro-

voked me to rise and vindicate the vote which I intend giving, I am bound to say that, much as I regret disagreeing with my honourable friend from Welland (Hon. Mr Robertson), who is the champion of this Bill, there are three reasons which operate in my mind strongly in favour of this amendment The first is that I supported the amendment last Session, and enough time has not elapsed since then for me to change my mind.

Hon. Mr. DANDURAND: I appeal to Caesar better informed.

Hon. Mr. BELCOURT: What about those who voted in Committee the other day?

Hon. Sir JAMES LOUGHEED: They may still be of the same opinion. However, the reason last Session for the adoption of this amendment was just as cogent as during the present Session. In the second place, the Industrial Disputes Investigation Act is one which should be strengthened by Parliament in every conceivable way. Probably there are few pieces of legislation upon which the Parliament of Canada has received greater commendation than the Conciliation Act; and when we find an infirmity in that Act, which from time to time is criticized, we should endeavour to improve it by such amendments as will appeal to every reasoning mind. I have heard a great deal of dissatisfaction expressed in regard to the method adopted of selecting the umpire, and it does seem to me to be an unreasonable way of selecting an umpire. Every honourable gentleman will concede, without any argument or discussion, that in the selection of an umpire to determine a very important dispute there should not be the slightest suspicion of the motives leading to his appointment. He must enter upon the discharge of his duties impartially and without any interests but the public interest; he at least should have a judicial mind, so that he may be able to weigh intelligently the arguments presented to him.

Now, what do we find to be the situation to-day? My honourable friend himself tells us that it is the Government of the day practically that appoints the umpire. True, in accordance with the provisions of the Act, the umpire should be appointed by the Minister of Labour; but my honourable friend tells us a secret out of Council, namely, that the Minister of Labour brings to Council—

Hon. Mr. DANDURAND: Consults his colleagues.

Hon. Sir JAMES LOUGHEED: He consults his colleagues, and in the final analysis it is the Government that appoints the umpire.

My honourable friend elaborated very considerably upon the desire of the Government to deal fairly with both of two classes of the community; but we know that in the matter of a labour dispute, the voting power of labour is very much greater than that of the forces which may seek to oppose the concession that may be thrust upon them. The whole tendency of the Government is to hold to the views of the masses—and very properly so, provided that the conflicting interests are properly preserved or conserved, as the case may be. Now, in the appointment of an umpire, is the Minister of Labour or the Government of the day in the same impartial position as a Chief Justice of a province? The Government may be on the eve of an election, or may be exceedingly apprehensive as to a by-election in an urban constituency where labour may be dominant. We know that Governments, like individuals, are afflicted with human infirmities.

I do not conceive that labour will object to a Chief Justice selecting an umpire. I have no hesitation in saying that the most impartial source from which you can appoint an umpire is the Bench; and that principle, practically, runs through the legislation of every province and of the Dominion. I do not know of a parallel instance in which a Government selects an umpire to adjust disputes between parties. If the parties themselves cannot agree upon a judge or an umpire, they then know that they are to confront the Chief Justice of the province, and not the Government of the day. My judgment would be that the Government should be only too glad to relieve itself of the responsibility of appointing an umpire in such a case, and of reverting to the method adopted generally in civilized countries, in appealing to the courts.

Hon. Mr. BELCOURT: May I be permitted to say that I am bold enough to change my mind? The other day, carried away by the eloquence, and, perhaps I may say, the sophistry of my leader, I voted with him. But I have changed my mind and am going to vote the other way.

Hon. Mr. ROBERTSON: Honourable gentlemen, truly the Senate of Canada is becoming democratic in that we, whether we agree with others on the same side of the House or not, can speak our minds and vote as our consciences dictate. I respect the views expressed by my leader (Hon. Sir James Lougheed) and also by the mover of the amendment (Hon. W. B. Ross), but I find myself quite unable to agree with those views for reasons which I will attempt to give briefly and concretely to the House.

The amendment now before the House was submitted at the last Session of Parliament when this same question was under discussion, and it was not accepted by the House of Commons. The Bill was again presented to this House last week, and after being discussed at considerable length, was adopted. Now upon the motion for the third reading of the Bill, this amendment is again brought before the House, and a reconsideration of the action of last week is asked.

I would respectfully call the attention of honourable gentlemen to the fact that honourable gentlemen on this side, even the mover of this amendment (Hon. W. B. Ross), and my respected leader (Hon. Sir James Lougheed), do occasionally change their minds. In 1920 and 1921, I recall quite definitely opposing, as forcibly as I was able, certain amendments to the Judges Act which my honourable friends were then supporting. They contended at that time that it was improper for judges to act as Chairmen of Boards of Conciliation, because it brought upon them certain criticisms and reflections that ought not to be directed towards members of the Bench. Furthermore, they contended that it was not in keeping with the dignity of the Judiciary of Canada that judges should be brought into such an environment. The majority of the members of this House agreed with the views so expressed at that time, and, as has been pointed out on several occasions since, as a result of the Department being deprived of the services of judges in the capacity of chairmen, by reason of the amendments to the Judges Act then passed, the administration of the Industrial Disputes Act has suffered quite materially.

These simple facts recalled to your mind must necessarily, I think, bring you to the conclusion that prior to the amendment of the Judges Act there was not any inclination on the part of those responsible for the administration of the affairs of the Department of Labour and of this Act to seek laymen, inexperienced or incompetent, to act as chairmen of boards. I know that in every possible instance during the four years that I had to do with the administration of the Industrial Disputes Act, judges of standing and ability, who had by experience in many cases achieved a reputation as successful conciliators, were selected without any regard whatever to location or former political affiliations. I want to say further that never during my experience was there a single exception taken to the appointments made.

I hold again, as I did in the instance that was before us an hour ago, that there is no necessity for a change in the law or in this Act until a specific complaint against it has been laid before the House.

Hon. Mr. LYNCH-STAUNTON: Then why is the Government always bringing in amendments to the law?

Hon. Mr. ROBERTSON: Because they arise out of justifiable complaints. In this case there has been no complaint, so far as I am aware. If there is any, the House has not been informed of it.

Now, may I turn to the procedure that must inevitably be followed if the amendment proposed becomes law? A few days ago, I think the honourable gentlemen from Middleton (Hon. W. B. Ross)—or as one of several—objected to certain other features of this Act, which was then under discussion, claiming that their adoption would cause delay in the completion of investigations and the reaching of conclusions. I want to say that, both from knowledge and experience, I am convinced that the adoption of this amendment will very materially delay and prolong the period of time that must elapse between the date when the application is made and the date when the report is rendered. The law is clear today that each party to the dispute will appoint a representative on the Board; if either party declines or fails to do so, the Minister will name a representative for it. The Minister may extend the time within which the parties may select their representatives. Because he is in daily touch with the situation, he knows whether or not there is going to be a response from the employer or the employees in the matter of naming a representative on the Board; and if he has reason to think that either party is not going to name a representative on the Board, he is busy all the time getting in touch with someone who will act. That does not occur very frequently, but in practically 50 per cent of the cases where Boards are established it devolves upon the Minister to appoint the third member of the Board. I may inform honourable gentlemen that in many cases of this character the Department has been in possession of the knowledge, in advance, that the two other members of the Board, selected by the parties, were not likely to reach an agreement; and the Minister, through his Deputy, is constantly in touch with perhaps half-a-dozen different people, inquiring whether or not, in the event of his having to appoint a third member of the Board, they would be in a position to accept the appointment. That is necessary in order to save time, because

honourable gentlemen will surely realize that men of sufficient ability and experience to qualify as Chairman of a Board of conciliation in a dispute involving perhaps thousands of men and a great deal of money, are not anxious to take on the task for the princely per diem of $20 which the law allows. That is one of the reasons why judges did not care about it in the first place. I know from experience that the Minister of Labour many times has to fish around and inquire of one and another, and sometimes has to plead, almost, to get a competent man to accept the position.

Now, if the Minister cannot make the appointment, but the Chief Justice of the Supreme Court in a province, or the Chief Justice of the Supreme Court of Canada, is to do all this preliminary work, I ask, is it not clear to all concerned that there must be a substantial and annoying delay? These very delays, honourable gentlemen, were the principal reason why for many years many hundreds of thousands of workmen in Canada looked with disfavour upon this Act; and because there has been an attempt to administer it promptly and efficiently under different administrations—I do not refer to any particular Government—there has gradually come into the minds of the workmen of Canada a greater confidence in it. If that confidence is to be destroyed, then I say we are striking a blow at the principle and the usefulness of the Act, which will not be compensated for by any possible benefits that could accrue from the adoption of such an amendment as that proposed. In my humble opinion it is not wise to make this change.

I ask every honourable gentleman to consider himself as the Minister of Labour for the moment—or the Minister of any other Department—responsible for the successful administration of this law, and responsible to the people of Canada for the results and open to the criticism—often unjust and unfair criticism—of thousands of labour men thousands of miles removed, who cannot and do not know the reasons why certain things are being done. Put the Chief Justice of the Supreme Court of Canada in that position, and see how quickly you will impair the respect in which that court is held by thousands of people, well-intentioned but ignorant of the facts and unable to understand the long delays in the appointment of a Chairman. You will gradually but surely bring into force and effect a lessening of the respect and confidence in which the Act is now held, and the ultimate result will be unsatisfactory and disastrous.

I have no personal feelings in the matter; I am egotistical enough not to regard this amendment as any reflection upon my humble efforts in the Department in years gone by; but in the interest of better relations between employers and employees, in the interest of the country at large, and in the hope that our laws and our judiciary may continue to be regarded with respect, I trust that this amendment will not prevail.

Hon. Mr LYNCH-STAUNTON: Is there anything in the law which requires the Minister of Labour to consult his colleagues? And has it been the practice for the Minister to consult his colleagues?

Hon. Mr. ROBERTSON: The honourable gentleman from Hamilton asks two questions. To his first question: "Is there anything in the law which requires the Minister of Labour to consult his colleagues?" the answer is no. As to the second question: "Is it the practice?" I cannot say. I know that during the four years I had to do with the Department it was not the practice.

The amendment of Hon. W. B. Ross was agreed to on the following division:

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The Bill, as amended, was then read the third time and passed.

INCOME WAR TAX BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 143, an Act to amend the Income War Tax Act, 1917.

Hon. W. B. ROSS: I think that perhaps the honourable gentleman should make a short statement now about this Bill, that would be satisfactory not only to the House but to the country regarding the regulations from the Department that will supplement this Bill.

Hon. Mr. DANDURAND: I felt that surely my honourable friend would do that in a more satisfactory way than I can, as he had raised the objection. He could have explained that before this sitting of the House we met the representatives of the Finance Department who will have to apply this Act, and were shown regulations that will permit of the Act being worked very satisfactorily. These regulations will be published before they are adopted, so that the members of Parliament and the public generally may bring their suggestions to the Department if they feel that any modification should be made to the regulations. I believe that is what my honourable friend had in view.

Members of the Senate who met the Commissioner of Taxation and his legal adviser realized that these amendments considerably improved the Act as it stands on the Statute Book, and that the regulations would work satisfactorily when applied. They will not come into force until the 1st of May, 1925, so we shall have plenty of time to examine them, and the Commissioner is most desirous of having the views of members of Parliament and others who are interested in this legislation.

I may say that already the loan companies, the bond companies, and certain Chambers of Commerce have examined the proposed regulations, and have declared themselves satisfied. Some representations that were made this afternoon seemed to suggest improvements, and we had the promise that they would be embodied in the regulations when these are brought out for public examination.

Hon. W. B. ROSS: I agree with the honourable leader of the Government that when the regulations are published, showing how the Act is to be worked, a great many objections that lie on the surface of the Act as it stands will disappear. In each province there will be an Inspector of Taxation, and each taxpayer can ascertain from the provincial official what his income tax is, no matter in what province of Canada it originates. The old Act making the income tax a lien is abolished by this amended Act. There will be no lien until 1925 in respect of the Act of 1924, and the income tax lien is not made automatic by statute. Even in 1925 there will be no lien until after the Inspector of Taxation has sent out a notice to the taxpayer of what is due and payable by him. After that a man can at any time make his settlement and get a certificate on demand from the Inspector of Taxation. If he gets a clearance to-day, for example, he knows there is no lien on his estate.

Hon. Mr. BELCOURT: His receipt would be evidence of that.

Hon. W. B. ROSS: No, he will get something better than that: he will get a certificate that there is no lien.

Hon. Mr. BELCOURT: Would not a receipt have the same effect?

Hon. W. B. ROSS: We need not argue that. I think the other method is better. Perhaps the taxpayer may get both receipt and certificate, but the certificate will give him a clear estate for thirty days. A certificate issued to-day will show that there is no lien on the estate, and the Government cannot put another one on for thirty days. There will be some other matters which will be submitted to the public, and opportunity will be allowed between now and 1925 to work matters out. The lien law will be made as applicable as possible. Some defects may develop later, and if they do they will have to be met as they come.

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

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from June 11 the adjourned debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Caadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

Hon. J. D. TAYLOR: Honourable gentlemen, I support this motion for light on the dark places of Canadian National Railway management, with reservations due to the advanced period of the session at which the demand lingers unsatisfied upon the scene, and the consequent impossibility of carrying out to the full the programme upon which the honourable gentleman from Simcoe has embarked.

I dissent from the attitude of the critics of this debate, in this House and outside, that insistence upon honesty in management must be fatal to the success of public ownership of the Canadian National Railways and the Canadian Government Merchant Marine. I believe that we have upright and efficient service from the great majority of the employees of these systems, and I have reason to know that many of these honest employees are restive and distressed under the reproach brought upon the service by the calculated corruption of some of their superiors in high office. There is no suggestion in or in connection with this resolution, that the publicly owned railway and steamship property should be destroyed because a cancer has appeared upon it. Hero worship appears to have supplanted reason in this connection, on the part of some gentlemen in parliament and outside, temporarily without a proprietary idol. In the interregnum, these appear content to be sanctified by the passing shadow of an unknown god—whom I for one do not recognize as either superhuman or superman—but whom so many ignorantly worship. May I be excused for offering a word of caution to these hero-worshippers, as to the danger to which they expose their idol of the moment. I would remind them of the familiar story of that Herod of the dim centuries, who so constantly and so eloquently broadcasted that an eagerly-listening people were moved to exclaim, "Surely this is the voice of a god and not the voice of a man." But there came swift and awful rebuke, because these people gave to a man the applause due to his Maker; and we are told that in judgment this ancient Herod forthwith became a prey to worms and decay and perished miserably. Let those take warning who are so obsessed with the imagined properties of any misconceived idol of the hour as to attribute to genius on his part the inprovement in railway finances naturally incident to the consolidation of the Grand Trunk and the Canadian National systems.

There are three main subjects covered by the resolution before this House, but the incidents in each of these centre upon the President of the National Railway board. The gentleman upon whom the spot-light is thus cast is a stranger to the public life of this Dominion, but was confidingly brought here by the present administration and handsomely retained at the cost of the people of Canada to serve their national interests and institutions. The implications of this resolution, as I understand, are that he or his immediate associates, without control or rebuke by him, have betrayed the trust of the Canadian people and sacrificed their interests. There is the incident of the Scribe hotel, with the hazarding of several millions of dollars of our money placed in a foreign country at the instance of an anonymous adventurer in favour with the President. As to this incident, we have the word of the Minister of Railways that he was the victim of deceit and betrayal on the part of the President of the Railway system, in that the deal was consummated without the knowledge of the Minister. It is true that there appears to be between these gentlemen a conflict of testimony not creditable to either; but this conflict makes it all the more advisable that there shall be a probe into the circumstances which delivered the country into the hands of an Aronivici, from whom we have escaped only by payment of a princely ransom. Then our attention is invited to the unparalleled incident of the Home Bank, in which a million dollars of the money of the Canadian people was kited to and from a bankrupt institution at the instance of the Railway President to whose custody this money had

been confided. Here again we have calculated deceit, the head of the National Railway contributing to the false representation of the assets of this bank, in the monthly report to the Finance Department, to the end that the hand of his friend the Minister of Finance might be stayed, preventing any action that could have been taken to protect the Canadian public against further deposits, or purchase of the stock of the fast collapsing institution. It is meet for this Senate to inquire as to the extent to which the funds of the National Railways are manipulated and misapplied for questionable transactions of this kind. Then we have the statements of organized rascality within the administration of the railways and steamships, with the evidence that the personal protection of the President has been extended to the guilty parties, through his interference with the course of inquiries set on foot by subordinates in the service.

It is six weeks since I addressed this House on this organized rascality and so gave occasion for the resolution now upon our order paper. In the interval I have had very many communications upon the subject, and these have been overwhelmingly in support of demand for house-cleaning. These are not confined to British Columbia, for which alone I spoke because my personal acquaintance with the circumstances was confined to that province, but covering the Dominion from Halifax to Prince Rupert. I have had two communications of contrary tenor, these being from two associations of lumbermen in British Columbia, who questioned the propriety of parliament venturing an opinion upon complaints which these lumbermen for themselves have been swift to pronounce upon and to regard as baseless. Let me just say that the complaints as to dealings in lumber came not from me or from any other member of parliament, but from the investigation branch of the Canadian National Railways, who secured their information while acting on the direct instruction of the President. The investigator who made this report ventured the prophecy at the time, that the purchasing agent of whom he wrote would be able to procure conflicting testimony such as that now before us. The fact of this conflict of testimony is in itself a reason for impartial investigation. Contrasting with the resolutions of these lumbermen's associations, are the many other letters I have received, and from which I will read, withholding for the present the names of the writers, which names I hold at the service of any proper authority. This is what these writers say:

Vancouver: I am glad to see that you are making a sincere effort to have the rotten mess in the Canadian Government Merchant Marine here cleaned up.

New Westminster: You can rely on your lumber friends aiding you in any investigation undertaken.

Prince Rupert: While you are exposing, don't forget to have the method by which the tie and pole business is let. Particularly the ties taken from the Blank Company which were turned down by the first inspector.

Belleville: The conditions you speak of are not confined to British Columbia but exist all along the line. Speaking for Belleville I could quote a lot of serious charges of irregularities as practiced by officials.

Montreal: By an inquiry you will find out why the deficits are so great.

Newcastle, N.B.: Graft and looting in connection with the creosote business . . . Hardwood ties . . . . secret favouritisms and special privilege.

Quebec: At the Ste Malo shops one foreman has been stealing railway material since the last ten years. He was discovered last fall and arrested, but for some mysterious reasons the charges were withdrawn and he is still in the service as before. Three other employees who were interested in the welfare of the railway and who helped the police to have this man detected were disciplined. Two were dismissed and the other reduced $20 per month in salary. The above facts are to the knowledge of the highest officials of the railways but no remedy has been applied as yet.

Halifax: The management of the Canadian Government Merchant Marine is a huge joke and a financial tragedy. (Details are given.)

Hon. Mr. ROCHE: Will my honourable friend pardon me if I ask who signed the telegram from Halifax?

Hon. Mr. TAYLOR: I said I would withhold these names just now. It is right. The complaint to me of nearly all these writers is that statements they make are invariably disclosed to the prejudice of any possible business they can do with the Railway Company. I have the originals. I have all the letters from which I have made these extracts, at the disposal of any Committee of this House or any proper authority who will receive them from me precisely as I have them. I can assure the honourable gentleman that they are all properly signed and appear to me authentic.

Toronto: I believe that you have only touched the very outer ring of the real hard stuff . . . . I presented (evidence) to Sir Henry Thornton but he would not do anything. * * * *The purchasing department I believe is where the big leak is going on.

Montreal: Allow me to express my interest in the indictment you have made against the administration of the Canadian National Railways, also the possibility of a commission of investigation into same, and would respectfully urge the Eastern (Montreal) division should be included as you would find the conditions here are worse than at the Coast.

I may say that I have no personal acquaintance with any of these gentlemen. Several of them give reference to people I know very well indeed. I have inquired as to the references in three or four cases at

least, and they will be found properly vouched for as reasonably reliable men.

By contrast, we have the remarkable leaflets presented as the "Reports of R. H. M. Temple," with the thousands of pages of unsworn and unsigned evidence accompanying. This House has been made familiar already with the circumstances under which this official of the legal department of the National Railways was commissioned to apply an anesthetic to the charges of rascality which, on the basis of sworn evidence offered to me, I had laid before the President. These charges had been before the detective department, to be followed up in a police way consistent with the criminal nature of the actions involved; but at a certain stage when the police activities had become known to persons implicated these secured a stop order from the President. When I challenged Sir Henry Thornton on the subject, he wrote that his vice-president and general counsel had advised that "no good purpose will be served by further investigation." Pressed for a reason for this singular inaction, the President fell back upon a gross libel upon a worthy officer who after an honourable record of forty years at sea was alleged to have lost his character and his ability in one year with the Canadian Government Merchant Marine! Challenged again upon this unworthy excuse, and in the face of an intimation that failing other redress the whole matter must be laid before parliament, Sir Henry Thornton at last announced an investigation by Mr. Temple, who as I have said is an official of the legal department, and regional counsel at Winnipeg. In the meantime, the head of the legal department had again pronounced as "entirely without foundation" the charges which this unfortunate subordinate was deputed to investigate.

At this stage the detective nature of the investigation was abandoned—why, I have not ascertained—and the fact of Mr. Temple's approach on Vancouver was proclaimed to the accused there, if not to the public. There was the extraordinary feature, however, that while the part in which I was concerned of the promised general investigation was to be with charges put forward by me on behalf of the aggrieved citizens who had asked for my services as a public man, it was deferred until the time of the session of parliament, when in natural course I would be at Ottawa, while the investigation was to be carried on at Vancouver. The Thornton promise of investigation had been made to me first in November; but not kept, and was renewed on the 26th of February. Parliament was to meet on the 28th of that month; but I remained at home waiting the promised action. On the 13th of March, I wired Mr. Temple at Winnipeg, where he still remained, that:

> It is essential that I be present during this investigation if it is to deal with questions I have raised. I must leave for Ottawa on 27th for meeting of Senate after present recess.

And again on March 14:

> If I am to present case at Vancouver instead of at Ottawa I must have opportunity of hearing and dealing with any statements in explanation or defence and this will take several days.

Unfortunately, however, Mr. Temple was not able to commence taking evidence until the afternoon of the 27th March, the day intended for my departure for Ottawa, and the best I could do was to postpone my trip for a day and get in a couple of hours attendance on the 28th also. In the meantime I had tried to be of assistance in starting the inquiry by covering in a series of written statements all the circumstances which had been brought to my attention during the several months previous.

> Temple had been vouched to me as "an able lawyer of irreproachable reputation" commissioned to inquire into "so much accusation, recrimination and general turmoil," involving every officer from top to bottom in every conceivable crime.

That was the letter from Sir Henry Thornton—that his Commissioner was to make a comprehensive investigation of that kind. Judge of my surprise when, after seeing him started on the 27th of March, I returned from Ottawa a month later to find that apparently Mr. Temple was confining his inquiries to matters and details which I had laid before him. Mr. Temple, in his interviews with me at New Westminster, had learned precisely the slight connection I had had with the case—that I had not received a particle of information except that brought to me unsolicited, in my own office; that outside the office I had not sought any information whatever; that I was simply delivering to him matters that had been brought to my attention as a public man. To his detective service, with whom he visited me—the chief of his service and assistants—I gave not only all the papers and memoranda I had, but, at their request discussed nearly every item of my information with them, giving them at their suggestion my ideas as to how these might be followed up, and as to the possible motives of the persons implicated. It was fully understood between me and those detectives that this information was of a most confidential nature, not given to them as evidence, but given to them in the way in which a man does give his ideas to the police or to his own counsel when he sets them on business for him. At my first interview

with Mr. Page's assistant, Mr. Hesketh, at Ottawa, it was made perfectly clear by Mr. Hesketh himself that he desired from me every possible suggestion so that his detective force, if one lead failed, might follow another; and it was distinctly stipulated between me and Mr. Hesketh that the suggestions I was giving him then were not in any sense to be considered as evidence, but were strictly confidential communications from a citizen to a detective, for him to follow up. I do not remember making similar stipulations with Mr. Page and his assistant at New Westminster. I did not think it was necessary. I had had from Mr. Hesketh the disposition of the police force of the Canadian National Railways. Judge of my surprise when I see in this booklet of Mr. Temple's that he has put in as an exhibit in the case what he says were the communications I made to Mr. Page, the head of the Service, in that connection, and which he says Mr. Page took down. I have not those communications; but Mr. Page is not a shorthand writer, and while I have great respect for Mr. Page as a police officer, he is not the sort of man whom a member of this House would commonly trust to take down any swiftly spoken communication. I mention this incident merely to show the extremely strange nature of the mission upon which this Mr. Temple embarked.

We have had before us for a couple of weeks the case for the defence, put forward by Mr. Temple, this employee of the accused departments. This defence is contained in a main printed pamphlet of a hundred pages, devoted to explanation of the Boyd exposures, and a smaller pamphlet canonizing the purchasing agent whose peccadilloes I have exhibited as a side line. The booklets are not by any authority, save the heavily discounted say-so of this Mr. Temple, whose printed record may well be given the short title of His Master's Voice. It is a fair assumption also that this record is published by direction, since the printed document bears date a month later than the close of the so-called investigation, and that month afforded ample time for communication of the facts so damaging to the Canadian National management, and for instruction from headquarters for the suppression of the truth which is the outstanding feature of these records. It is not to be supposed that no correspondence between Mr. Temple and his master took place in the interval, but from the fact that none of this is presented, and that no copy of the original instructions appears, one is strengthened in the conclusion that the Temple mission was to hide rather than to reveal. The printed report is marked by suppression of evidence which is so significant and so damning to the cause Mr. Temple espouses that this omission must be regarded as calculated and deliberate—as in fact a deliberate attempt to deceive the parliament of Canada to whose members the record has been delivered. I shall give several instances of this deliberate falsification by omission; and for convenience will work from the findings or "Summary" on page 96 of the Boyd report.

I will deal first with the paragraphs on the damages to the ship Canadian Farmer, alleged to be incident to striking and steeplechasing over a pinnacle of rock on June 18. These are paragraphs 3 and 4, as follows:

(3) As to the big bill of repairs, I find that the Surveyors honestly did their work and found the damages as set forth in the specifications; that there was no such thing as bribery commissions, percentages, or personal considerations paid to any of them, nor was there any thought of bribery by the dock company.

That the charge made by the dock company was a fair price for the work done.

(4) That for the above reasons and from all the evidence, there was no fraud or attempted fraud on the underwriters.

Let us start at the beginning, and ascertain, if we can, who were the surveyors. There is no doubt that Thos. Louden, the mechanical superintendent of the Canadian Government Merchant Marine was the moving spirit in the survey, as representative of the owners; while the classification surveyor at the outset was Mr. W. A. Wallace, whose role, as he admits, was mainly to see that there should not be omitted from the bill of repairs anything necessary to put the ship into first-class condition. In so far as the implication of fraudulent claims on the insurance companies is concerned, the important man would be the underwriters' representative. It is asserted that Capt. E. McCoskrie port warden at Prince Rupert, was appointed as such representative before the arrival of the Canadian Farmer, and duly acted throughout the piece. It is, however, roundly denied by Capt. Boyd that McCoskrie did so act, and the correspondence shows that Capt. Boyd had no thought while he was at Prince Rupert that Capt. McCoskrie had any official connection with the business. Even Mr. Temple seems to have found difficulty in recognizing Capt. McCoskrie as an honest-to-goodness participant in the proceedings, because (page 1450) Mr. Temple exclaims in evident astonishment: Do you think he was fit to make a survey—that old man? The Captain is about 75 years of age, and noticeably frail. Evidently, in the opinion of Mr.

Temple Capt. McCoskrie was unfit; and when there is in the evidence not only this expression from Mr. Temple, but also omission of Capt. McCoskrie's from the list of signatures to documents essential to the case, one is warranted in subscribing to the protestation of Capt. Boyd, that the connection of Capt. McCoskrie's name with the proceedings was only an afterthought. Thus the "Specification for Repairs and Renewals" handed in by Mr. Temple as an exhibit, does not show Capt. McCoskrie as underwriters' representative; but instead shows Mr. A. Wallace in that capacity, while steamboat inspector Manthrop is set down as the classification surveyor.

The official document to which I have referred was filed with Mr. Temple as Exhibit 20, and purported to have come to Mr. Thos. Louden, mechanical superintendent at Vancouver, from Mr. J. R. Abraham, the chief engineer whom Louden had left in charge of the work on the Farmer. This document must be taken as Abraham's understanding of the situation, an understanding that Capt. McCoskrie had no share in the responsibilities of the occasion. Thus he represents Mr. A. Wallace as underwriters' representative, as I have said, Mr. Manthrop as the classification surveyor, Mr. Louden as the owner's representative, and underwrites them all in the signature of Mr. Abraham himself. "It is a copy of the specifications, Mr. Commissioner," Mr. Louden observed (p. 845) "with the chief engineer's note on it as regards the work done." Mr. Louden observed nothing odd about the document—after all, was there anything odd?—neither did Mr. Temple, notwithstanding all the questioning of McCoskrie that he had heard; so it remained for Capt. Boyd to point out a curious feature:

> Capt. Boyd—Q. Wallace of the British Corporation was there, wasn't he?
>
> Mr. Louden—A. Yes.
>
> Q. Is he an underwriter's man?
>
> A. That is a typographical error! That is in typing! I didn't sign that, Captain.
>
> Q. There is no McCoskrie there at all.
>
> A. Let me see this. I did'nt make this out, it is made out by Abraham the chief engineer. It is not made out by me, Capt. Boyd.
>
> Mr. Temple: Well, he has made a mistake on that.
>
> Mr. Louden: He has made a mistake on it.

Hon. Mr. BENNETT: Who is Abraham? Is he chief engineer of the dock?

Hon. Mr. TAYLOR: He is chief engineer on the steamer Canadian Farmer. When Mr. Louden went away from Prince Rupert, on about the third day of the vessel's stay there, he left as his representative this chief engineer, Mr. Abraham, and deputed Mr. Abraham as his representative to sign this document at the close of the work—most inconvenient and embarrassing mistake, I must say, in view of the questioning of the connection of McCoskrie with the proceedings. It is singular indeed that Abraham did not know about, or forgot the man who would have been most interested in the repairs he was making.

But, assuming for the moment that Captain McCoskrie was on the job and did inspect the ship for the purpose of being in a position to certify as to damages, he seems to be a rather disturbing witness. An instance of this is the inspection survey which it is alleged Captain McCoskrie signed, but the copy of which, filed as an exhibit, shows, Mr. Wallace, rather than Captain McCoskrie to have been the underwriters' surveyor, representing the No. 1 keel plate to be "set up over five frame spaces." When Captain McCoskrie was before Mr. Temple he was asked about this, and said, at page 917: "There did not appear to have been a great deal of riveting on this plate, I admit there was some," and the examination continues:

> Q. Was there any evidence that this plate had been damaged outside of having some loose rivets?
>
> A. No. I thought the damage was caused by the anchor chains. . . . I thought so at first. . . . Very slight damage more rusty rivets than any thing."

Remember the Temple finding that the surveyors—including McCoskrie—"honestly did their work." Yet with the alleged endorsement of Captain McCoskrie, the C.G.M.M. permitted the dock company to charge $700 or $800 for replacing these few rusty rivets, and in turn claimed this $700 or $800 from the insurance company, whom he was protecting. Did the C.G.M.M. know that this claim was fraudulent? I say they did, and I call in evidence the protegee of Mr. Temple, the immaculate Captain Edgecombe, who when before the wreck Commissioner testified on oath as follows (p. 291): "I don't think that any bow damage was occasioned on June 18." Yet the steamship company claimed bow damage, the damage to plate No. 1 just referred to, as occurring on June 18, and procured certificates from all the surveyors to that effect, in violation of the truth, and in fraud of the insurance underwriters.

I forget if I have included in these papers a list of all the surveyors concerned there. In case I have unintentionally omitted them, I may add them now, and tell what part they took in the survey, because, as I have said, they all certified to this damage and those repairs on Plate No. 1. The ship was inspected in dock on the 19th and 20th of August.

Hon. Mr. CASGRAIN: What year?

Hon. Mr. TAYLOR: 1922. She remained in dock until the 27th August. Mr. Louden left for Vancouver on business, he says, which had to take him there—on the 23rd of August, before any of those repairs were made. He left as his deputy, Mr. Abraham, the chief engineer, to sign for him. The next surveyor was Mr. Wallace, a classification surveyor. He left for Vancouver on the 20th of August, the very day the survey was made, a Sunday, when no work was done. There was no work done on the ship before Mr. Wallace left. Mr. Wallace left as his deputy, to sign for him, Mr. Manthrop, who is a Dominion steamboat inspector. Mr. Manthrop, in the evidence, says that he completed his duties at Prince Rupert on the 23rd of August, and then left for Victoria. Now, Louden was gone, Wallace was gone, Manthrop was gone; there remained as surveyors only Mr. McCoskrie officially—if he was connected with it—and Abraham, the chief engineer of the steamer, representing Louden, and who did not know, apparently, that McCoskrie was connected with the work.

The next item claimed, as of hull damage, was as to the 10th plate, "all more or less badly set up over six frame spaces." But Edgecombe, in his evidence to Temple, says of this plate that it showed only "one bulge," There is corroboration of this from Captain Duncan McKenzie, pilot in the C.G.M.M. employ, and who himself has been the owner and manager of ships of the Farmer class, besides being a skilled master mariner. Capt. McKenzie having told the result of his inspection of the ship's bottom, and his surprise at the small damage there apparent, the record continues (p. 1463):

Q. That is all the damage you saw in the vicinity. A. Yes; this dent.

Q. Do you think she struck any where else? A. No; it just looked like one bump.

This is the plate they took off, at a charge of upwards of $1,000, and while they found it quite watertight when the dock operations commenced, they left it at the end leaking so badly that twelve sacks of cement had to be carried away from Rupert for the purpose of applying over the leak at the first opportunity. This leak, like everything else, is denied by the C.G.M.M. official evidence, but there is irrefutable evidence of the twelve sacks, and Capt. McKenzie says, still referring to plate 10 (p. 1471):

Sunday morning we left the dry dock. They were still cementing in over this plate.

Q. And water was coming out through the bottom of it? A. Yes.

Mr. Temple: Was the water coming out through the bottom of it? A. I noticed they were short of cement and that they wanted about twelve bags more to do it. . . . They were there three or four hours anyway discussing that matter Sunday morning.

It was in the face of this condition that Capt. McCoskrie signed a certificate—when he cannot say, but it was dated that Sunday morning—that all the repairs had been done to his satisfaction. As to this disregard for fact Mr. Temple is conveniently silent while he certifies that Capt. McCoskrie and the other surveyors "honestly did their work." The other reputed surveyors, Wallace, Manthrop and Louden left Prince Rupert long before the completion of the job.

The third item of hull damages claimed is: "Port side—in "A" strake of shell plating the 11th plate set up over five frame spaces in way of keel plate landing." In respect of this the dock company were paid something like $500, and a claim for this amount was made upon the insurance company. But in contradiction to this claim we have the evidence of Capt. McKenzie, that he saw no damage to this plate, when with an experienced eye he examined the vessel. There is also the admission of Capt. Edgecombe, at p. 790, that this No. 11 plate was set up in one place only, (while the specifications impudently make it "over five frame spaces.") Yet the surveyors, one alleged present, three absent, "honestly did their work" and saw that the repairs paid for were made "over five frame spaces." Were they so sure that there was no occasion for their presence.

Hon. Mr. PARDEE: Might I ask if in all those cases the insurance company paid?

Hon. Mr. TAYLOR: Well, that is the mysterious part of it. Every time I have asked how much the insurance companies have paid on this, and if they have not paid at all how much is disputed, the answer has been: "They have not paid anything, and they have not disputed anything." I am under the impression that Mr. Temple asked the question, but I have not got the reference, and I will not state anything from the evidence without giving the reference. My recollection is that I saw it, but I cannot say positively without giving the page; but Mr. Temple asked if they paid yet, and he was told, "No, they have not paid anything yet." As far as I can make out, the insurance company has not paid, although 20 months have elapsed, and the company will not admit that they question the claim in any way, but simply say that they have not paid; so the question as to the insurance paid is a very pertinent one.

Hon. Mr. PARDEE: Then nobody has made anything out of it at all. If the insurance companies have not paid and the claim has been put in, nobody is any better off; is that right?

Hon. Mr. TAYLOR: The honourable gentleman is an experienced counsel; I am not; I am only a layman; but I have heard of attempts to obtain money under false pretences, and I never heard that it was a good defence to put in in the police court that you had not succeeded in obtaining it.

Hon. Mr. PARDEE: But, as I understand it, the insurance companies have not disputed it?

Hon. Mr. TAYLOR: The honourable gentleman says, as he understands it.

Hon. Mr. PARDEE: Yes.

Hon. Mr. TAYLOR: I have only the word of the C.G.M.M. that they have not disputed it; and I may say that every statement I have received in answer to questions from that company as to any matter of which I had personal knowledge has been an incorrect statement: so that I am not impressed at all with their answer that the insurance company has not questioned this amount.

Hon. Mr. PARDEE: But does the honourable gentleman know from the insurance companies themselves that they have in any way questioned the amount?

Hon. Mr. TAYLOR: No I do not; I am not a detective.

Hon. Mr. ROCHE: Will the honourable gentleman tell us what insurance company this vessel was insured in? Was it the British Lloyds?

Hon. Mr. TAYLOR: It is not the British Lloyds. The name of the company was reported to us in the annual report of the C.G.M.M. last year. I forget the name of the company, but they do business through the San Francisco office so far as the Pacific Coast vessels are concerned. They have English headquarters, I may say that since that time the C.G.M.M. is reported to be doing its own insurance, which may be one reason why the insurance company have felt at liberty to resist this claim at last.

The fourth item of hull damage claimed as consequent on the striking of June 18, and billed to the insurance company in that connection, is: "Starboard side, first length of bilge keel more or less buckled over five frame spaces." The charge for fixing this was about $300. Capt. Boyd has sworn that this was old damage, visible when the ship was in dock before but not thought necessary to repair at that time, and in substantiation of this we have Supt. Louden at p. 867 of the evidence as follows:

> Mr. Temple: Do you attribute the damage that you found to the bilge keel due to the accident of June 18th?
>
> Mr. Louden: Well, that is a hard question to ask Mr. Commissioner.

Meaning, of course, that he knew that the bilge keel could not have been injured by the accident of the 18th of June, and that it was with this full knowledge that he had imposed this item on the other surveyors. Explaining himself, he says, still at page 867:

> In holding a survey, Mr. Commissioner, we are not supposed to find out where all these damages were sustained. The damage was found on the bottom, and in the absence of any corroborative evidence of where she sustained this, that or the other thing, we put it down to the one accident we know of.

And we have it from Supt. Tedford that it was the heaping up of items like this, averred as incident to the June striking, that cost Capt. Boyd his commission. That is, these surveyors beat up everything and say: "Well, if she did not get it that time, she got it at some other time: we will put it in anyhow." They wire down to Montreal that all this extraordinary damage had been found, and Montreal, without any inquiry whatever, sends back word by wire to dismiss Captain Boyd because of the existence of that damage, supposed to have been done on the 18th of June and successfully concealed until that time. Does that make any difference to any honourable gentleman?

Hon. Mr. DANDURAND: I thought that Captain Boyd had been dismissed because of a series of more or less important accidents.

Hon. Mr. TAYLOR: Yes, so the letter to Captain Boyd said: but, like most of the statements of the C.G.M.M., as I have remarked just now, unfortunately it was not true. It was just convenient to make it. The reason I say that is not true is because I have here the statement of Captain Tedford himself.

An entry in the log is necessary for every item claimed, and there could be no honest entry for this bilge keel. So apparently it is covered by the fake addition to the honest entries of the day, that "three distinct shocks were felt"—presumably one at the bow, faked to cover No. 1 plate; one amidships, faked to cover the bilge keel; and one at the stern, where alone there was a striking and a shock.

Hon. Mr. DANDURAND: That would be three bumps?

Hon. Mr. TAYLOR: Yes.

Hon. Mr. PARDEE: Who entered that in the log?

Hon. Mr. TAYLOR: That was the Chief Engineer's log.

Hon. Mr. PARDEE: Was this Captain Boyd's boat, may I ask?

Hon. Mr. TAYLOR: Yes, it was Captain Boyd's boat.

Hon. Mr. PARDEE: And he was in command?

Hon. Mr. TAYLOR: Yes.

Hon. Mr. PARDEE: Yes? Go on.

Hon. Mr. TAYLOR: What of that?

Hon. Mr. PARDEE: Let the honourable gentleman proceed.

Hon. Mr. TAYLOR: Captain Boyd was in command. The honourable gentleman is probably not very conversant with shipping. I will tell him something.

Hon. Mr. PARDEE: I think I am perhaps a little more than the honourable gentleman.

Hon. Mr. TAYLOR: My honourable friend says he is a little more conversant with shipping than I am; so he will thoroughly appreciate what I am about to say as to these three shocks.

Hon. Mr. PARDEE: Go ahead.

Hon. Mr. TAYLOR: The shock that we know about and that certainly took place was 14 feet from the stern post. That is where the dent was. The Farmer is a vessel 251 feet in length. She was drawing on this occasion 14 feet of water forward and 19 feet of water aft. When she struck apparently a pinnacle of rock 14 feet from the stern, her bow was five feet higher up in the water. As there was no suggestion of other rock or other damage found there, and nothing seen, it is fair to assume that there were no rocks above the pinnacle which she struck. Now, the bilge keel—and the honourable gentleman, being familiar with boat construction, can check me up on this—would be on a boat of that kind, I suppose, from six to seven feet above the deepest draft of the vessel. That is to prevent rolling. It is placed reasonably up the side of the vessel. That would be six or seven feet up from the keel; and forward, where the damage was discovered, there would be two feet difference in draft; so that the bilge keel was at least eight feet higher up than the point of impact. And here we have "three distinct shocks felt", as dishonestly placed in the log; one at the bow five feet above the point of impact; one at the bilge keel, eight feet above the point of impact; and the other at the point of impact.

Hon. Mr. CASGRAIN: What were they doing, may I ask? As the honourable gentleman says, it is not likely that the ship would strike near the stern.

Hon. Mr. TAYLOR: But she did.

Hon. Mr. CASGRAIN: How could she strike near the stern? The bow must have passed there before.

Hon. Mr. TAYLOR: There being five feet less draft at the bow, the bow would pass harmlessly over. Something five feet lower down would destroy the stern. That is what happened. There were not three shocks.

Hon. Mr. CASGRAIN: Ah!

Hon. Mr. TAYLOR: But in order to account for the three allegations of damage, they forged into the log this, amongst other entries, about "three distinct shocks" being heard.

We do not rely only on the impossibility of shocks, but we have the testimony of members of the crew that there was not excitement at all on board; that the general impression was that she had struck one of those heavy logs, a deadhead. The Wreck Commissioner found she had not struck a deadhead, but that she had struck the pinnacle of a reef. That was the Wreck Commissioner's opinion, and of course his opinion is entitled to respect, because he is an experienced mariner, familiar with these waters.

Hon. Mr. BELCOURT: May I ask the honourable gentleman a question? These matters to which my honourable friend has referred are matters which of necessity will be part of the investigation, if this House should decide that there ought to be an investigation. I do not quite see my honourable friend's purpose in telling this House all these details, which would be subject to discussion, and probably contradiction, before the Committee. Does my honourable friend expect that the House is going to pronounce upon them, or any one of them, on the mere statement that he makes.

Hon. Mr. TAYLOR: Not on the mere statement. The honourable gentleman has the 2,000 pages of evidence that I have been at pains to read. He is quite welcome to read that record.

Hon. Mr. BELCOURT: I do not think my honourable friend has answered my question.

Hon. Mr. TAYLOR: I will answer the honourable gentleman's question.

Hon. Mr. BELCOURT: Perhaps I did not make myself plain.

Hon. Mr. TAYLOR: I understand the question.

Hon. Mr. BELCOURT: All these assertions will of necessity be subject to investigation by the Committee if appointed. Why make them now?

Hon. Mr. TAYLOR: Will the honourable gentleman allow me to answer him and get on?

Hon. Mr. BELCOURT: Yes, certainly.

Hon. Mr. TAYLOR: Thank you. The answer is that this is the 24th of June.

Hon. Mr. CASGRAIN: St. Jean Baptiste.

Hon. Mr. TAYLOR: That it took Mr. Temple seven weeks in Vancouver to carry on his investigation, and I am afraid, although there is a motion for a Committee to investigate, we shall not be able to carry on our investigation. I said at the outset that I supported this motion with reservations. That is one of the reasons for the reservations.

Hon. Mr. BELCOURT. My honourable friend must admit in that case that there is not much service rendered or work accomplished of any value by merely telling the House the details, as to which we can form no definite opinion without an investigation.

Hon. Mr. TAYLOR: If the honourable gentleman will permit me, I think that is a matter of opinion, and it seems incumbent upon me to justify the prominence I have given this organized rascality, as I view it. In my opinion, it is just as well to remind the House that there is evidence of highly organized rascality, and we can appreciate that evidence only if we hear some of the details of it. The honourable gentleman is quite familiar with the old saying: "How can a man be convinced unless he hear? And how can he hear without a preacher?" I am the preacher.

Hon. Mr. BELCOURT: But in a court of justice you want something more than hearing: you want evidence.

Hon. Mr. TAYLOR: Oh, I will give you evidence. We have it from Superintendent Tedford that it was the heaping up of items like this, averred as incident to the June striking, that cost Captain Boyd his commission.

Here, then, we have the principle—or want of principle—upon which this official and his co-operators formally certify that all these damages are incident to the striking of the 18th of June, and combine together to collect insurance on that basis. The same with the next two items, namely, "In way of damage the floor and reverse frames buckled," and "Riveting started and caulking sprung." Challenged under these heads, Mr. Wallace, the classification surveyor, calmly explained in these words, at page 1003:

> What I mean by that is, wherever you have a set-up plate it is more than likely the floors will be slightly buckled and they have to be dealt with accordingly.

And again, at 1004, "If it is necessary to be done it would be done."

And so by this exercise of imagination on the part of the so honest surveyors we have perhaps another thousand dollars added to the bill to be paid to the dockyard and collected from the insurance underwriters, because of the possibility that there may be damage quite invisible and yet to be repaired by dockyard men who cannot know of its existence! There was the position as left by the evidence of this classification surveyor, Mr. Wallace. But, in the words of Mr. Temple's finding, "The charge made by the dock company was a fair price," equally if it prove necessary to repair any of this hidden damage, or if the possible damage be ignored as invisible. There is no evidence, I say in support of this finding, but on the other hand there is the direct evidence of surveyor Logan that the dock prices were excessive, and that the official surveyors certified without examination or knowledge.

Hon. Mr. BENNETT: Who is Logan?

Hon. Mr. CASGRAIN: How much a day did they pay on the dock?

Hon. Mr. TAYLOR: It was not charged by the day.

Hon. Mr. CASGRAIN: On the dock?

Hon. Mr. TAYLOR: No. They got a lump sum of $8,500 for all this alleged damage and the stay in the dock.

Hon. Mr. CASGRAIN: Whose dock is it?

Hon. Mr. TAYLOR: It goes under the name of the Prince Rupert Dock Company, and is operated by the Canadian National Railways under that name.

Hon. Mr. BENNETT: Is Logan one of the employees of the Government?

Hon. Mr. TAYLOR: Logan is an official surveyor of high repute there. He was the only witness called as to the prices charged, and his evidence was that the prices were very excessive.

All the items of hull damage to which I have referred, are dealt with in the sworn affidavit of Stanley Mark, a dockyard worker in iron, which formed part of the case presented to Mr. Temple for investigation. I have read this affidavit to the Senate, and it presents a prima facie case of fraud, in the detention in dock of a vessel with no bottom damage, and payment for the making good of damages sworn to be wholly fictitious. How did Mr. Temple deal with this sworn affidavit? Did he bring the author before him, and subject Stanley Mark to cross-examination? Did he bring the other members of the iron-working squad said by Mark to have been the only men in their line employed at the dock when the Farmer was there? The names and addresses of these men were given by Mark, and they were first at Victoria and later at Vancouver, easily available. To all these questions the answer is No! Stanley Mark had given the name and address of the foreman, as well as of the workmen, and one of Mr. Temple's investigators having interviewed this foreman at Seattle, and having found that he would give evidence comforting to Mr. Temple's employers brought him from the foreign country for that purpose. But he did not bring either of the workmen who had worked with Stanley Mark, who were actually available in Vancouver at the time Sheppard, the foreman, was giving his evidence.

Hon. Mr. HAYDON: Who was the man from the foreign country?

Hon. Mr. TAYLOR: Sheppard.

Hon. Mr. BENNETT: Where did he come from?

Hon. Mr. TAYLOR: He was working at Seattle at the time.

Hon. Mr. HAYDON: That was one of the witnesses that the honourable gentleman himself proposed to have called.

Hon. Mr. TAYLOR: Certainly. I gave to these investigators the names of all the persons who I knew had any connection with the matter. One of these names was that of this foreman, Sheppard. I was not engaged in the business of suppressing evidence; I was engaged in the business of getting evidence, and I gave all the names known to me to Mr. Temple and his investigators. Mr. Temple and his investigators called the one man who had been officially connected with these repairs in the dock and who would dispute Stanley Mark but did not call Stanley Mark himself, nor Warren, nor Roy, who had worked with Mark and who were more available than was this man they brought from Seattle.

Hon. Mr. HAYDON: May I ask, was not the honourable gentleman pressing particularly for the calling of Sheppard as a witness?

Hon. Mr. TAYLOR: Will the honourable gentleman do me the honour of listening to me? I may be tiresome, but this is twice he has asked me to the same effect. I have told him.

Hon. Mr. HAYDON: In the second question I asked, was not Mr. Sheppard one of the particular witnesses whom the honourable gentleman desired to have called?

Hon. Mr. TAYLOR: I have answered that just now. The question asked me in the interval was whether I was not pressing for the calling of Sheppard. How could I press for the calling of Sheppard when, as the honourable gentleman knows, I was at Ottawa? And when I went back to Vancouver and asked to get into the case again I was refused any opportunity of participation in it, or any information as to the evidence that had been taken or witnesses who had been called. I knew nothing about Sheppard being called until I saw the official evidence presented in this House.

This foreman, of course, had handled at the dock the specifications of damage, and he had reported, equally of course, that everything needed to be done had been done. His evidence might be taken for granted, since he could not very well contradict his former reports, and in the absence of cross-examination there would be no test of memory, or of veracity should this be called in question by conflict of testimony. And when this foreman contradicted, without being placed on oath, the sworn affidavit of Stanley Mark, Mr. Temple let it go at that, and made a finding without confronting Mark with the man who so contradicted him, and without calling on the fellow workmen whose testimony might have enabled a verdict to be given intelligently. In what court, may I ask the hon. gentlemen of the Senate whose profession is the law,—and I would ask the honourable gentleman who is questioning me—in what court did Mr. Temple learn this method of rebutting evidence?

Hon. Mr. HAYDON: I will take the liberty of answering that question when the honourable gentleman is through.

Hon. Mr. TAYLOR: Oh! The honourable gentleman's answer, by inference, is that in some court Mr. Temple learned that sworn affidavits could be rebutted by unsworn testimony. I am not a member of the legal profession, but I am not so green as to accept that. The incident shows the utter worthlessness of the proceedings under Mr. Temple's direction, which I find it stated, on authority of his own assertion, cost as much as the whole of the monstrous repair bill of the Canadian Farmer. It was one of Mr. Temple's statements in this inquiry room at Vancouver that the fruitless, ridiculous investigation he was supposed to be makng had cost as much as this whole repair bill. Whatever respect one might have for the evidence of this foreman as a skilled iron-worker, disappears when we find him denying with all the rest the leak over the replaced plate, and the cause for demanding the twelve bags of cement as to which there is the dock manager's own letter of admission.

As with the damage pretended to have occurred to the hull of the vessel so with the alleged disorganization of the machinery—the engines, the pumps, the shaft, the steering gear, and other apparatus, these figured in the specifications for about three thousand dollars worth of work, all alleged to have been due to the striking of the 18th of June, but in support of which the evidence presented was of the most nebulous character. Even Supt. Louden is quoted by Mr. Temple as admitting that the rudder damage "could probably be put down to general wear and tear"—but it was not, being charged instead to the striking and the insurance. The same Louden made the fantastic suggestion to Mr. Temple that the driving shaft had gone out of alignment because of "picking up dirt, sand or anything that might be taken in from the ocean's bottom," at the moment of a striking which did not check the speed of the vessel. This fiction was good enough to satisfy the company's lawyer, but it is not the stuff that goes in the report of a mechanical engineer to his superior, and in the graver moment of such a report we have some information imparted to Mr. Louden contained in an exhibit to this case, as presented by Mr. Temple. Thus chief engineer Abraham says to Mr. Louden of the costly delay in connection with the propeller shaft (a thousand dollar job charged to the insurance) that the cause of the condition found was—not the striking—but, in his own endorsement: Cause: Brass continuous parallel sleeve neat fit and corroded with fine hard tenacious scale." And of the general service pump: "Bore of stanchions lugs out of line and stays of stanchions very slack fit, cause of previous trouble."

Hon. Mr. BENNETT: To whom did Louden report this?

Hon. Mr. TAYLOR: He reported to Montreal.

Hon. Mr. BENNETT: Is that the same as his evidence at the trial?

Hon. Mr. TAYLOR: No. On no two occasions did any of these gentlemen give the same evidence. So with the rudder. When the Farmer should have been ready to leave the Rupert dock, the chief engineer, whom Mr. Louden had left in charge of the repairs, sent a delaying message to the effect that a serious condition found in the rudder would occasion two days more in dock. Of this Louden says, in his report to Montreal:

> You will note that the chief wired that the rudder was bent. . . . The answer to this is that the rudder is not bent.

This answer was arrived at by Mr. Louden without any reference back to Rupert. He felt that he knew the man who had sent the false message. Yet this was the man whom he had left in charge of the work at the dock, and who certified for Mr. Louden, in his absence, to the completion of all repairs called for by the specifications. It is significant that Mr. Temple has no comment to make on this Louden report to Montreal, which indeed, so far as I have observed, he does not mention or indicate.

Hon. Mr. BENNETT: Had Temple that report before him?

Hon. Mr. TAYLOR: Oh, yes. All this information I have got from the report that Temple had before him.

Though this rudder damage was an insignificant item of $150 in the huge bill fabricated on the occasion, the evidence in connection with it affords illumination as to the readiness of this official to claim from the underwriters money he knew not to be due from them. He had put the whole rudder damage into the report wired to Montreal on which Capt. Boyd was dismissed because of the widespread damage which that report indicated; but when he wrote to Montreal ten days later, and told how he had stopped his chief engineers attempt to get two or three days more in dock through pretence of further rudder damage, he added (p. 848):

> I noted the trouble at the ship, the builders made an extremely poor job of boring the gudgeons on the stern frame, and together with the surveyors I noted

that the extra wear was taking place in one place, two little bushes also, belonging to the guard plates broken off. I wired Abraham to renew the bushes so that the pintles would fit easy at the rudder. This would make the parts the same as before.

That is the report he made—that he knew it was not due to the rudder being bent; and that the rudder was not bent.

When Louden came before the Company's investigator recently—that is Mr. Temple—here is the dialogue that occurred, as shown on page 808:

Mr. Temple: Mr. Louden, had you any opinion as to what caused the wear and tear on these pintles?

A. The general condition of work which had been put on the steering gear, there had been extra work put upon it from the time of the stranding.

Q. You were not on the ship. How do you know that?

A. Well, I will not say that. I will say the condition we found there it could probably be put down to general wear and tear. I will concede that.

Q. It might be put to that?

A. Yes, I will concede that.

The pintles are the bolts that attach the rudder to the stern of the vessel—like the bolts that run through the hinge of a door.

I have challenged as untrue and deceptive the certificate of the completion of repairs according to specification. I repeat, now, the charge of improper certification, and ask attention to the document made an exhibit in Mr. Temple's case, and which appears to do the double duty of specification and certificate. Upon this the name of Steamboat Inspector Manthrop appears as signed for the classification surveyor, Mr. Wallace, who had left Rupert on the 20th, while the repairs continued in progress until the 27th. But Mr. Manthrop left only three days later, namely on the 23rd; his own letter says so. The signature J. R. Abraham, chief engineer, appears presumably as deputy for Mr. Louden; as to his reliability I have just now spoken, in the light of the rudder incident. The name of Captain McCoskrie does not appear at all; he made a separate certificate, why is not explained, as to which he says he does not know when it was made, though dated the 27th August, nor does he remember to whom he sent it. He was engaged by Lloyds local representative, but received no money for months—

Hon. Mr. BENNETT: Who was paying Abraham for being inspector of the boat? Wasn't he the inspector for the dry-dock?

Hon. Mr. TAYLOR: I will come to that. And then it was to Mr. Louden that he wrote for his cheque—again he does not know why he gave his letter this address. Surely one is justified in questioning the value of certificates given under these circumstances, even after the explanation of confirming or secondary certificates made by the two principals at Vancouver a few weeks later. There was virtually no certificate as to the work at Rupert except from chief engineer Abraham.

Now let us see the character of the man who gives the sole certificate for this $11,800 of work. This Abraham was the man who had studded his engineer's log book with entries as to most extraordinary misbehavour of all his machinery immediately following the striking on the 18th of June. The universal testimony of the ship's company was that these entries were unprovoked fabrications, that there had not been a word from the engine room of any inconveniences whatever. And examination of the log showed that these fictitious entries continued only for the ten days or so when they were needed for the purpose of being copied into the insurance claim. For the rest of the sixty days until docking the machinery proved quite normal; and dealing with the extraordinary pretence of damage the wreck commissioner had found:

There was not a shred of evidence to show that this straining of the sheaves and chains was due to any injury to her rudder or sternpost, or any other part of the vessel, had received that would cause excessive straining as to the running parts of the steam steering gear, by striking on Danger Reef on the 18th of June.

And his opinion of the chief engineer, upon whose collaboration with Mate Edgecombe the whole case of the Company's accused officials depended, the Wreck Commissioner thus expressed:

P. 327. "Your must give your evidence in a proper manner or we cannot place any reliance on it."

P. 328. "You are making a bad impression and trying to suppress something."

P. 332. "He is endeavouring to suppress something with very feeble results."

P. 335. "His evidence is palpably cooked." . . . "He is not coming out with straightforward evidence."

P. 336. "He has altered his evidence and said all kinds of things."

P. 353. "I am afraid his evidence is a waste of time."

The evidence given by Abraham under oath is so characterized by Wreck Commissioner Macpherson. This chief engineer Abraham, as I have said, was the only person (if we leave Captain McCoskrie out of the piece, as I think we should) who was in position to certify as to the repairs at Prince Rupert. He solely represents the surveyors who according to Mr. Temple so nobly and so honestly did their duty. He is a pretty specimen to bring into the lime-light; yet he was the chosen of Supt. Thos. Louden to superintend the repairs at Rupert, to the exclusion of Captain Boyd. This Captain, commissioned

as in command of his vessel "from stem to stern and from truck to keelson," was arbitrarily set aside by Louden in favour of a witness of the Abraham type, as described by Wreck Commissioner Macpherson.

I was asked a little while ago what was the drift of this argument. If these damages were not due to the striking of the 18th of June, they were due to some other accident, and it is right that the insurance should pay. Or even, perhaps, as Mr. Temple said to me and now denies, "Tell me what harm is done? Does not the insurance pay?" In reply I would refer to the section of the Criminal Code making it an offence to obtain money by false pretences, even from an insurance company, and I would suggest that by these practices the C.G.M.M. places itself in a position no better than that of an incendiary who justifies his crime by the fact that the insurance company will supply the money to be spent in rebuilding. But there is a personal element, cruel in its incidence, entering into the present case.

The false pretence of damages found in the dock at Rupert, and not theretofore admitted was the cause of dismissal of a worthy officer of forty years unblemished service at sea, crowned with a gallant record as a master in the four years of the recent war. This is not left to argument or surmise, but has been placed on authentic record. It is true that there has been a pretence that Captain Boyd was let out because of a series of trifling mishaps of which he and his ship were the victims; but notwithstanding the inglorious efforts of Mr. Temple to echo His Master's Voice by making out a case against Capt. Boyd, we have conclusive evidence to the contrary. Thus Capt. Finglass, the assistant marine superintendent at Vancouver, at page 1,114, in his letter to Captain Tedford, the superintendent at Montreal, states with respect to the services of Capt. Boyd:

> With the exception of the stranding, the other troubles taken separately have been trivial so far.

And Capt. Tedford testifies at page 215:

> This last accident he had at Danger Reef, well, when we found the ship was so seriously damaged—

Found, mind you, from the report telegraphed from Rupert of the specifications there fabricated under the circumstances I have described—

> —we decided the only thing was to let Capt. Boyd out, and I did not communicate or consult Capt. Finglass at all. Mr. Teakle and I talked it over, and decided we could not do anything but let Capt. Boyd out.
>
> Q. What did Mr. Teakle say?
>
> A. He agreed with me. When the collision happened —I said I didn't think when it happened that it was serious enough. You see, at that time it was not supposed that there would be any damage, but when it got in dry dock and the considerable damage ascertained, we thought all we could do was to let Capt. Boyd out, and we did so.

There is the evidence of the man who dismissed Captain Boyd. The sole reason for which he dismissed him was that infamous report from the Prince Rupert drydock. Tedford and Boyd had had a most amicable meeting in Vancouver about six months before, when all Boyd's previous little mishaps were talked over between those two master mariners, each of whom well understood the risks of his occupation. They parted the best of friends, and seemingly with nothing against Captain Boyd, but with the admonition from his superior, Captain Tedford, to be careful of his ship. Without any other accident at all happening, but because of the fabrication of evidence, this man has lost his reputation and his position, and by the machinations of the Canadian Government Merchant Marine he is practically black-listed.

Hon. Mr. ROCHE: Will the honourable gentleman tell me what was the particular insurance on the ship above that part the underwriters would have to pay?

Hon. Mr. TAYLOR: The whole of $8,500 was claimed from the underwriters, There was a separate item of $3,300 admitted to be payable by the owners, but the whole of the $8,500 was shown in the specification as due and as claimed from the underwritesrs.

Hon. Mr. ROCHE: Was it 6 per cent or 8 per cent or 10 per cent?

Hon. Mr. TAYLOR: I am not an insurance man, and could not discuss that with the honourable gentleman. I have only the answers given to me by the Government Merchant Marine in this House to rely upon, and I quote them as given.

And how did they let Captain Boyd out? —this gentlemanly, efficient and gallant officer, who for thirteen months had worthily held a command, and had given service with his ship at least equal to that obtained by any other in the line? They ordered him from the ship at Ocean Falls, to report back to Vancouver, where he was informed by letter from Capt. Tedford that he was dismissed because "of the various accidents"—contrast that with the truth in the evidence just read. And in the settlement of his accounts they paid him only to the day of his dismissal, the 28th of the month—

Hon. Mr. BENNETT: Shame.

Hon. Mr. TAYLOR: Not even for the whole month, though his engagement was by the month; and they struck from his account the item for his meals and berth on the way down from Ocean Falls to Vancouver. This contemptible meanness by the company whose President so regularly broadcasts about the high morale he is desirous of maintaining! And the excuse given for this harsh treatment is even worse, if possible, than the treatment itself. This is the statement by the assistant manager at the Pacific Coast, Mr. C. W. Tourtelotte, at page 1251, that Capt, Boyd might have got a month's pay in lieu of notice, and might have been allowed his meals and berth, if he had not demanded inquiry into the cause of dismissal so untruthfully given. So we have this species of blackmail added to the other accomplishments of the C.G.M.M. An officer framed by those whose rascalities he resists, may be dismissed without inquiry, and receive some retiring allowance if he gets out quietly; but if he so acts as to give risk of exposure, he is to be hounded with the whole power of the Company. Such is the attitude with respect to Capt Boyd which I as his representative denounce in this Senate.

Hon. Mr. DANDURAND: I think the honourable gentleman has Mr. Temple with him on that point.

Hon. Mr. TAYLOR: Yes, Mr. Temple does call attention to the disreputable way in which Boyd was let go. But there have been no results from his calling attention to it. In fact, the Manager at Vancouver was quite uppish about the fact that after all this trouble Boyd had made there was nothing coming to him.

Now I think I have shown that paragraphs 3 and 4 of Mr. Temple's summary which have been my text so far, are directly contrary to the evidence laid before him. That the surveyors did not honestly do their work; that the charge of the Dock Company was not a fair charge, but was extravagant even if the work pretended had been done; and that inasmuch as most of the damages dealt with were not incident to the striking to which they were attributed, there was fraud on the insurance company.

There remains the assertion or finding, made with equal carelessness by Mr. Temple, that there was no financial consideration paid to any one in connection with this work—that is, by way of bribery. Well, bribery is a thing not commonly expressed at the time of payment. The incidents connected with this Prince Rupert adventure are so extraordinary as to call for some explanation, which has not yet been given. As I see it, there is no value attaching to the Temple conclusion, because he has discounted himself so completely by his own attitude; but there is a circumstance which he might very well have dealt with while on the subject of finance. In the series of questions I addressed to Sir Henry Thornton last November, I asked:

17. Whether or not the management of the dock at Prince Rupert, or any one on their behalf, paid or claimed to have paid any money to any officer of the Canadian Farmer, or to any official of the Vancouver office of the C.G.M.M., and if money was so paid or promised, what if any was the consideration received or expected by the dock management?

Such a question, of course, had its basis in information received. The answer was a specific denial so far as the Vancouver office was concerned; and as for the ship's company, that on account of shortage of labour at the dry dock "several members of the crew were employed during repairs on the vessel . . . and paid . . . for actual time and work performed."

This seemed a reasonable arrangement, and to dispose of the suggestion that the attitude towards the work supposed to be in progress could have been influenced by any such payment. But in the evidence given before Mr. Temple, at page 696, I find this statement by Mr. Edgecombe, then chief officer of the Farmer:

I was working for the dock company, well for the dock and the ship both, after hours there.

I have read, too, though I have not the page reference, that the engineers also of the ship—and I presume these include Chief Engineer Abraham—were on the dockyard pay. So far as I have noticed, neither the names of the persons so employed nor the totals of the amounts paid to them have been stated either in the evidence or in the exibits. I think it is material to have the information whether or not the chief engineer was on the pay-roll of the dockyard whose work he was to certify; and also whether or not it is in accordance with the standards of practice of this company that the chief officer of one of its ships in dock should be employed by the hour as an assistant machinist, or even as a supervising machinist.

Hon. Mr. BENNETT: How much was he paid for working for the dock company?

Hon. Mr. TAYLOR: I do not know.

Hon. Mr. BENNETT: Do the accounts show it?

Hon. Mr. TAYLOR: I do not know; I have not seen anything in the accounts to indicate it. I have just seen the statement by the chief engineer that he was paid, and that

he worked as a machinist; and I feel sure—but I cannot give the reference that I wish—that the engine-room crew were paid also.

Hon. Mr. DANDURAND: But the dock company and the owners of the Canadian Merchant Marine were the same parties?

Hon. Mr. TAYLOR: Yes, and those people were being paid twice.

Hon. Mr. DANDURAND: Well, they were possibly paid for extra work, and it came from the same purse.

Hon. Mr. TAYLOR: The honourable gentleman does not see the point. I have no fault whatever to find if, as ordinary members of the crew they can be usefully employed about the dock and paid for it; that is perfectly natural. But what I want to know about is this, whether, when the whole certification of the work depended on this chief engineer Abraham, he was receiving pay from the dockyard company whose work he was certifying. If he was, then it seems to me that that circumstance destroys altogether any value that his certificate might have. So far as I see, Mr. Temple let this suggestion go without any notice whatever, and without any attempt to get the evidence which we are entitled to have.

Hon. Mr. BENNETT: May I ask the honourable gentleman if he has seen the bills that are supposed to be exhibits? Where are they? May we see them here? Are there bills showing where these thousands of dollars were disbursed, and who got the money?

Hon. Mr. DANDURAND: I have not read the evidence, nor have I looked into the exhibits.

Hon. Mr. BENNETT: Are they here?

Hon. Mr. DANDURAND: I thought they were.

Hon. Mr. BENNETT: Then let us see them.

Hon. Mr. DANDURAND: They must be in the custody of the Senate.

Hon. Mr. TAYLOR: I do not think the exhibits have been brought here. They are over in the Railway Department.

Hon. Mr. DANDURAND: I have already a statement explaining that there were certain parts of the exhibits that remained in the possession of the Canadian National Railways, so that I would not be sure they are here.

Hon. Mr. TAYLOR: I saw the exhibits in the Railway Department, and I looked very particularly for such a bill as the honourable gentleman from Simcoe (Hon. Mr. Bennett) refers to, because I have seen reference to that information in the evidence, and I was unable to find the bill there. My impression is that it is not there.

Hon. Mr. BENNETT: Then you cannot tell what they got.

Hon. Mr. TAYLOR: In the absence of any reference by Mr. Temple as to amounts paid to high officers of the ship, I must accept with reserve his conclusion that their attitude towards the bills was not influenced by such payments.

I would now like to deal with the matter of the log of the ship, and this will not be so long as the damages. It is the practice of marine insurance companies to require evidence, by entry in the ship's log, of any occurrences at sea causing damage for which claim is made. Fraudulent claiming therefore calls for fraudulent entry in the logs, and I am of opinion that the C.G.M.M. high management were parties to fraud of this kind. I represent as unwarranted and directly contrary to evidence the finding as to forgery of the logs, contained in paragraph 5 of the summary by Mr. Temple (p. 96).

While Mr. Temple indecently and untruthfully finds that the disputed entry in the log of the 18th of June was made "the day after the log was originally written up," "in a bona fide way, and in accordance with a chief officer's duties," the evidence is directly to the contrary. Edgecombe—always boot-legging suspect and finally false swearer before the Collector of Customs in the crowning incident—is the sole support of this claim, and he is confounded by circumstantial evidence and by a mass of testimony. The episode, so far as he is concerned, opens with this entry in the log, under date of June 18:

> 11.53 p.m. Steering gear working at unusual speed both hard aport and starboard, steering chains and sheaves straining severely.

Six minutes before that the ship had struck some object in passing. The Wreck Commissioner thinks it was a rock. Then in the log of the following day there is this entry:

> 9.37 p.m. On examination of hand steering gear the port guide was discovered broken and brass nut of same badly bent, due to the rapid and severe working of steering gear as per log of the 18th.

I say that these two entries were forgeries in that they were not written in the log in ordinary course or in good faith, but were written in long after the log had been signed by the Captain. The proof of this is, 1st, that the break here described occurred, not on the 18th of June, but on the 16th of Au-

gust. There is the sworn testimony of six members of the crew as to the occurrence on the 16th of August, and that the part then broken was whole and not damaged in any way when these men commenced to handle it on that day. Even Mr. Temple is overwhelmed by the testimony of these men, as to which he confesses on page 70:

I have no reason to doubt that the declarations before referred to were made in perfectly good faith, nor have I any reason to doubt that they are quite truthful, but my opinion is that a crack did exist in this port guide bracket prior to the Ocean Falls accident.

Temple had examined only one of these six witnesses, a seaman named Storey, but whose evidence he had failed to shake, and who had come through unshaken before the wreck commissioner also. On that occasion Storey had testified under oath (p. 523), and in answer to Hannington, Mr. Temple's colleague who was defending the accused officials. Hannington tried to overwhelm the sailor with the majesty of these officials, and to shake Storey's statement that at that time the hand guide was perfect, with no break. "The result is," this counsel exclaimed in affected horror, "that Mr. Wallace and Mr. Edgecombe or anyone else who says it is imperfect, are not telling the truth." "Yes, Sir," firmly answered the sailor, who on that 16th of August had handled this piece of machinery for two or three hours, and so knew that it was not in the damaged condition these officials depicted.

Temple had other evidence, too—that of a sailor named Potti, to whom he refers on page 4:

Senator Taylor asked me if I would ask Mr. Potty some questions as he was not going to be available at the inquiry, and I did the best I could to find out what information Potty had to give me. He endeavoured to explain to me how the port guide bracket of the hand steering gear had been broken. It was difficult for me to understand this witness because he spoke in what appeared to me to be broken English, I thought he was a French-Canadian, and Senator Taylor has written to me and is reported to have said that I clearly showed by my questions to this witness that I was prejudiced, but this is quite incorrect. As explained, I had difficulty in understanding what Mr. Potty said and I had no idea what a port guide bracket was. I had not seen any papers dealing with the complaint and he used technical terms such as the "parcelling" that had been done to the steering gear, all of which I had to get explanations of. These were not given in a way I could understand and my questions were directed solely to finding out what the witness had to tell me, which should have in no way given rise to Senator Taylor's statement that I was not fair to Mr. Potty.

Here was a pretty investigator, into a shipping case, who by his own confession was quite incapable of understanding what he was plainly told. But is this a confession or an excuse for ignoring what Potti told him? To be frank, I take it as an excuse.

Hon. Mr. DANDURAND: That is not charitable.

Hon. Mr. TAYLOR: No it is not charitable. One finds it hard to be charitable to gentlemen who would assist in doing to Captain Boyd what these people have tried to do to that worthy man.

Hon. Mr. BENNETT: What they have done.

Hon. Mr. TAYLOR: Potti is not only a highly intelligent and in every way presentable young man, but also he speaks correct English and is quite easy to follow, even if he has the French accent, which one has a right to expect to meet with in this country. He is an Acadian, and I so introduced him to Mr. Temple, not thinking that the skilled and learned investigator would fail to recognize this term and regard it possibly as the name of a new religion; and not alone did Mr. Temple appear to get the significance of Potti's remarks, but as well he obstinately disputed this evidence with pertinacity worthy of a C.G.M.M. counsel for the defence. Potti said he had been in the ship from February to some time after the breaking in August; that during all that time the hand steering machinery had been securely wrapped up, so that it could not be damaged, that he and another man had removed the wrapping on the 16th of August to clean the part for inspection and that although they spent a long time rubbing off rust he had not observed any break or crack! "Ah! but you cannot swear there was none there. You merely did not observe it," was Temple's so keen comment.

And in defiance of all testimony except that of the accused officials Mr. Temple, their touchingly faithful colleague, says: "But my opinion is that a crack did exist in this port guide bracket prior to the Ocean Falls accident." The "opinion" of a man so inacquainted with ships or machinery that he could not understand plain evidence. He says (page 71):

The reason why I come to the conclusion that there was a crack in the bracket prior to the final finding of it at Ocean Falls, is because I can see no possible reason for Wallace, Louden, Edgecombe and Finglass perjuring themselves as they must have done before the Wreck Commissioner and deliberately telling falsehoods before me unless they actually did see this crack on or about the dates they stated they saw it.

Mr. Temple as valiantly withstood two other tests before which a common man on a jury certainly would have succumbed. He endowed his friend Edgecombe with X-ray perception, in being able to see through the three sets of wrapping round this machinery on the 19th of June. There is only Edgecombe who says there was no wrapping on

that day. Edgecombe swore—"swore," mind you—to the Wreck Commissioner (p 283) that the steering gear was not at any time "served and parcelled"—wrapped that is, for any investigator or other person who does not know—He had never seen any steering gear protected in this manner! He would not allow it to be done now! And the parts being bare—to his all-seeing eyes—this was what he testified as to the condition on that June morning:

592. There was no canvas cover of any kind on any other part (except the wheel) of the hand steering gear?—A. No.

Q. What was the nature of the break: A break or a fracture?—A. Broken.

Q. Do you mean that the parts were severed from each other, a complete fracture of the guide?—A. It was a complete fracture. . . . . What I mean is that the crack was right through and the pieces were still there but it is possible if I had taken one of the bolts out I have not the least doubt I could have lifted the piece that was fractured.

Q. There was a complete fracture of the guide?—A. A complete fracture.

So if Temple dared to find that there was no fracture, as all the witnesses not accused say, he must go back on his brother official and admit him guilty of the perjury involved and charged! Perish the thought! This would destroy the "morale" of some persons in the service. Let perjury and other rascality go unwhipped of justice, therefore!

But there was to be yet another and more severe test of Mr. Temple's obedience to His Master's Voice. On Edgecombe's third or fourth recall before the Wreck Commissioner he was further grilled about his alleged remarkable discovery of a non-existent crack on a piece of machinery covered with three secure wrappings, and this was what he said:

P. 594 (Cassady to Edgecombe). Did you have the port guide just like that when the ship left Nanaimo? --A. Before I discovered the break at all I saw that the guides were not together as they should have been. I turned the wheel and put them together and on examination to see whether they were all right I discovered the fracture.

Before the Wreck Commissioner he got away with this most circumstantial evidence. But Nemesis in the shape of Captain Boyd kept on his track, and on the morning of Good Friday of this year overtook him, in the presence of Mr. Temple and his cohorts of officials.

Those people went down to the ship in company with Edgecombe and Boyd, and in the presence of that whole company it was shown by Captain Boyd handling the wheel and putting it around that the contact that Edgecombe said he made on that 19th of June when he discovered the fracture could not be made at all. As to the parts secured as they then were, it was absolutely impossible to get them together so as to provoke fracture, and, further, that at that time the wheel could not turn at all because the spokes of the wheel interfered with the grating under it, and the evidence was that at a time long after Edgecombe himself had given to one of the sailors a chisel to gouge out the runway in the grating to let the wheel turn. So it was because of that incident of Friday that Mr. Temple was forced to abandon the pretence that that part was broken on the 18th of June, and he so found. Since he so finds, that is of a certainty establishment of the fact that the two entries with which I am dealing were forged into the log, and as they were in the handwriting of Edgecombe, and he alone had any knowledge about them, he is the man responsible for that forgery in the log.

The honourable gentleman (Hon. Mr. Bennett) asks if Edgecombe got the boat afterward. He did; as soon as Boyd was dismissed Edgecombe got it.

Hon. Mr. BENNETT: A fine man for the job.

Hon. Mr. TAYLOR: The second of the named quartette apparently under Mr. Temple's protection from the consequences, as he puts it, of "perjuring themselves before the Wreck Commissioner and deliberately telling falsehoods before me," is Mr. Wallace, the official surveyor. According to Edgecombe, when Wallace was on the ship on the 23rd of July, making his survey following the accident, he objected to receiving from Wallace a certificate that there was no damage, and took the surveyor to see the broken hand steering gear. But Wallace, according to the veracious Edgecombe, said it didn't matter, and insisted on putting in the certificate of "no leakage or damage," which Edgecombe in turn signed as part of the log without any demur to the captain (p. 599). And then Edgecombe dragged in Finglass and Louden, on the 11th of July, when the ship reached Vancouver, and these officials also say that under Edgecombe's direction they saw the break in the gear (notwithstanding the dense covering sworn to be over it) but again, according to Edgecombe they "walked away and said nothing" (p. 602). There was no entry in the log, of this revelation to the two dumb heads of the crippled service. The condition then was (p. 601):

Mr. Cassady (Boyd's counsel): Q. What shape was it in then?—Edgecombe: The same shape that I have just explained to you.

Mr. Cassady: A complete fracture?—Edgecombe: Fracture.

Here we have established conclusively to everyone except the C.G.M.M. investigating

counsel, and staggering even him, these points:

1. That on the 19th of June the hand steering gear could not have been brought into collision, and therefore could not be broken, because the spokes of the hand wheel could not pass the grating, and the wheel in consequence could not be turned.

2. That the gear was completely covered, so that even if there had been an existing break it could not have been seen.

3. That when the gear was stripped on the 16th of August it was found intact, with no break or crack.

4. That on the 16th of August it was fractured in the manner sworn to and admitted by Temple.

5. That this incident of the 16th of August is not entered in the ship's log for August 16, but instead is passed back as having been "discovered" on the 19th of June and as caused by the (fictitious) severe working of the machinery of the 18th June. The log, therefore, was forged, in respect to these two entries, as to which there was no foundation in anything happening on the dates stated. Even to Mr. Temple, by his own admission, it is plain that there was no break on the 18th or incident to happenings of that day.

6. That this forged entry was used to fasten on the underwriters as incident to the casualty of the 18th of June, the breaking of the hand steering gear which took place on the 16th of August.

7. That for this crime of fabricating evidence Mr. Temple the talented investigator makes the pitiful plea that it was "only a little one" and should be overlooked. Thus he says (page 71):

> From the Dry-dock cost sheets I understand that the total repairs to the hand steering gear, chains, etc., were $300 and that the repair to this broken bracket cost $22.50. It may be that the crack was caused by having been hit, at some time after the ship was launched, with some heavy object, or it may be that it was even a flaw in the casting and existed ever since the ship was launched and the blow given to the bracket at Ocean Falls caused a part of the bracket to be broken off and to fall on the deck. It may be asserted that Louden, Edgecombe and Finglass were interested in trying to attach this break in some way to the accident on June 18th, in order to get the repairs made at the expense of the underwriters but what interest has Mr. Wallace in this matter. He does not care whether the owners or the insurance company pay for such damage, all he is interested in is having the broken part made good and I am unable to conceive that a man of his standing in the community would deliberately make the statement that he saw this crack at Ocean Falls on the date he gave the seaworthy certificate, if he had not done so.

In the face of this plea to save these four officials from the peril of indictment in what seems an unanswerable case, Mr. Temple persists in the cruel aspersions on Capt. Boyd made by His Master. According to Temple:

> The President's explanation to me as to the foundation of the above quoted portion of his letter was that when he was in Vancouver in June, 1923, he took the matter up with Mr. Hannington, Assistant Regional Counsel, and Mr. Hannington informed me that he showed the President the judgment of the Wreck Commissioners in their inquiry under the Canada Shipping Act, which inquiry took place at the instance of Capt. Boyd. These judgments will be referred to at greater length in dealing with the accident at Danger Reef on the 18th June, 1922, but what influenced the President to make the above statement is the judgment and the reasons therefor of the Wreck Commissioners, dated December 4, 1922. That judgment finds that the charges preferred by Capt. Boyd of falsifying entries in the log were not only trivial and futile but utterly unwarrantable and unjustifiable and without a shadow of doubt unproved, and the Court ordered the cost of the proceedings to be imposed on Capt. Boyd "for his audacious attempt to imperil the character and integrity of those against whom he preferred his unfounded charges and upon none of whom could the slightest reflection be cast."

Would it be too much to expect now, from these twain an apology to Capt. Boyd, and an acknowledgment of the justice of his complaint of the falsification of the log in the manner now clearly established? And what is to be said of the counsel Hannington, the hero of the nefarious piece before the Wreck Commissioner where all these crimes were committed? He gave to his President, we are told, for use to destroy Boyd, the damning comment of the Wreck Commissioner on but one feature of the case that had been before him, but concealed from his Master the other and sailor-like admissions from Capt. Macpherson, as to Capt. Boyd's case generally. In the evidence, towards the very end, at p. 638 we find this passage:

> The Commissioner: "There is no reflection on the captain (Capt. Boyd), not as a seaman."

And in the findings of the Commissioner reprinted at the end of the Temple report there are these contrasting passages, to which no attention is called by Mr. Temple.

> The weather at the time was fine and clear, though dark, little or no wind or tide, as it was nearly high water slack. Coffin Island Light was rounded about half a mile distant at 11.12 p.m. and a course was set N. 3 W. (magnetic) towards Danger Reef light, with the intention of passing to the southward of the reef, or in other words, between Danger Reef and Miami Island. This passage though perfectly safe at daytime, providing all the marks are clearly visible, is never used by the local pilots at night, and the master, Mr. William John Boyd, would have been better advised, had he rounded Danger Reef to the northward, as without question, he should have done. The Court, however, feels that he is to be more pitied than blamed for not so doing, as though undoubtedly an excellent and practical seaman, with many successful years' experience in command of foreign going sailing vessels, his knowledge of local conditions in British Columbian Coastal waters, cannot be otherwise than very limited.

And again:

> The Court, therefore, taking into consideration the extreme difficulty there is, under any circumstances, of

accurately estimating a vessel's distance off a light, when directly approaching it, without the aid of angles or bearings, of objects on either side, as were the conditions in this case, finds that the master, Mr. William J. Boyd, made an error of judgment, which under the circumstances, was almost excusable.

The same Commissioner said of Mr. Temple's hero, Edgecombe (p. 66): "This last witness does not impress one that he has a great deal of intelligence." It is the invention of a man of this type that Temple prefers over the mass of testimony and circumstantial evidence sustaining the charges of forgery which in the first instance I put forward on behalf of Capt. Boyd and which I now maintain as fully established and contested only by Temple's obsequious expression of unbelief.

As to Temple's pretence that Edgecombe was only doing his duty as a mate, in noting the unusual speed of the steering gear, even though he was not on watch and the entry could have no place in the "scrap" log, or log of origin, we have the admission from Edgecombe, before the Wreck Commissioner:

P. 585: Cassady to Edgecombe: At what time during that passage from Danger Reef to Nanaimo did you notice that the steering gear was working at an unusual speed?—A. I noticed it immediately after we started the engines again. I noticed it going through Porlier Pass. It is more or less an unusual speed going through these narrow passes and channels.

You would not put that entry on the log at any time you went through the narrows?—A. Well, no.

Why did you put it in this time?—A. Because I knew that the ship had met with an accident.

He "knew the ship had met with an accident," so having searched back for two months to enter falsely a break carelessly caused by his crew he calmly placed in addition a timely peg on which to hang the blame at the expense of Capt. Boyd's reputation.

Before the wreck commissioner, Capt. Boyd called for the scrap log, to show that there was no basis there for the Edgecombe fictitious postscripts but these could not be produced for the reason that at Edgecombe's instance this damaging evidence had been destroyed. Edgecombe admitted to the Wreck Commissioner that since he had succeeded Boyd as master he had regularly destroyed the "scrap log", on which the Commissioner observed:

P. 62. I have never known anything like that before in my life.

P. 67. In England, if you destroy the scrap log, you might as well destroy yourself. They are bound and kept on the shelf so that the masters can refer to them.

If the scrap-log had not been destroyed by Edgecombe, the present protege of Temple, Capt. Boyd would have made good his case a year and a half ago. However, we have now in reversal of the Wreck Commissioner, a verdict by a real authority, the counsel who arrived from Winnipeg in ignorance so dense with respect to shipping that he could not understand his first witness but who in a few weeks in Vancouver has blossomed out into an authority on marine matters. Lawyer Temple thus rebukes Capt. Macpherson, the Wreck Commissioner:

and I must say personally that I can see that no good object can be served by the retention of scrap logs, nor is any fraud indicated to me by reason that these scrap logs were destroyed on board the Farmer.

So that is that. "Nor is any fraud indicated to me" seems to be the fixed determination of this investigation.

This charge of fraud in the forgery of the log was put up to the management at Montreal in the fall of 1922, and investigation was refused. Why? Was it because these frauds are so common to the service as to have ceased to be matters of concern? Last fall I wrote to Sir Henry Thornton asking him whether or not he knew that an officer and six members of the crew of the Canadian Farmer had made affidavits establishing the frauds involved in the forgery of the log; and from the president I received the answer that his company had "no record of these affidavits." This is one of the many answers that I characterized in my reply as untrue to my knowledge; and the Temple proceedings show the absolute justification of this reply.

Now I come to the last division of this story. This is the bootlegging division.

Mr. Temple says in paragraphs 1 and 2 of his disgraceful summary that he finds (1) that no bootlegging took place on the Farmer or the Volunteer. Yet in contradiction of this "finding" he admits in the same paragraph that Sargent and Fraser at Ocean Falls and Jones at San Francisco were dismissed for bootlegging. He omits to put in the finding that they were dismissed solely because of the demand of Capt. Boyd (p. 25). There was, therefore, bootlegging, shown by this very paragraph and the "finding" of Mr. Temple is untrue by his own admission.

Mr. DANDURAND: Mr. Temple dilates upon the action of those two men, who were fined and dismissed.

Hon Mr. TAYLOR: Yes.

Hon. Mr. DANDURAND: So he takes the facts into account.

Hon. Mr. TAYLOR: Yes, they were dismissed at the instance of Captain Boyd.

Hon. Mr. DANDURAND: That I do not remember.

Hon. Mr. TAYLOR: Yes, and the only people who were dismissed for bootlegging, so far as I have ascertained, were dismissed at the instance of Captain Boyd. However, as Temple says, "this is only a little one." I am coming to the real thing now.

Hon. Mr. BENNETT: The high-ups.

Hon. Mr. TAYLOR: I wonder what commonly happens in the Canadian National Railway service when a subordinate is discovered making to his chief a deliberately false report, and from a summary supporting that report deliberately omits mention of evidence and incidents brought before him, establishing the falsity of his findings. This is the case here, without the shadow of a doubt: Temple the regional counsel deliberately making a report contrary to the evidence, to his chief the vice-president for legal affairs, and this vice-president endorsing the falsehood and passing it to his president. From the president it has come to this Senate, and has been broadcasted over Canada. It is a fair question to ask, in view of the deceit in high places in the Canadian National Railway services, whether this prostitution on the part of the regional counsel was by express direction, rather than solely on his own initiative and as willing as it is complete. The evidence of Temple's own book, "His Master's Voice," is damning against both his intelligence and his honesty, but there is still plainer evidence excluded from the printed book that has been put into circulation, though contained in the typewritten folios that will not be read by the public. For instance there is the evidence of Mr. R. A. Beavan, the provincial constable at Ocean Falls. If we were to take the C.G.M.M. version, we would suppose that the company had appealed, virtuously, to the Ocean Falls police to watch their ships, but supposing this we would be in error. The appeal always was from the police to the C.G.M.M. and always in vain. Let me quote again the Temple finding:

(1) That no bootlegging took place on the Farmer or the Volunteer.

—and refer by contrast to the evidence before Mr. Temple when he penned this falsehood. At page 921, Constable Beavan after referring to troublesome incidents in the spring of 1921, continues:

At that time we had no liquor store (at Ocean Falls) and there was considerable trouble with the Farmer and the Observer, that is some members of the crew were selling liquor.

"No bootlegging," says Temple. But read Constable Beavan again, at page 924. Reporting to Mr. Tourtelotte, the assistant manager of the line at Vancouver, on the 25th of May, 1922, a year after the other complaint, this constable said:

For some time past I have had considerable trouble with certain members of the crew of the C.G.M.M. ships calling here as regards bootlegging.: Up to the present time the Farmer and the Observer have been the worst offenders.

But Temple reports, "No bootlegging on the Farmer." An upright judge, truly. The constable refers to the incidents of Sargent and Fraser, caught and fined, and proceeds:

As regards the Farmer, I have my suspicion that those who are carrying on the bootlegging are not to be found in the seamen's quarters, that is the party who is back of the business. In my opinion there is very little doubt that Sargent and Fraser are doing the actual peddling but there is some one back of them who is financing the proposition. Until I hear from you I do not care to mention any names, possibly Capt. Boyd will be talking to you upon his return to Vancouver and he knows of my suspicions. As regards the Observer, the steward is the man who is doing the business but I also suspect that he is in partnership with someone higher up.

Hon. Mr. HAYDON: They were all dismissed, were they not?

Hon. Mr. TAYLOR: No; the higher-ups were not dismissed.

Hon. Mr. HAYDON: The steward, Jones, Fraser and Sargent?

Hon. Mr. TAYLOR: Not on your life. The higher-ups were not dismissed. We do not read these significant details, of protection for higher-ups, in the Temple printed pages; but we do find there some expurgated extracts from the Constable's letter, presenting no doubt all that it is healthy for the still higher-ups—the All Highest, shall we say—to permit to be known. Thus Mr. Temple records that the Constable complained that the extent of the traffic was such as to be making "drunkenness in town" though there was "no bootlegging," as Temple defiantly reports.

Hon. Mr. BENNETT: Was there a liquor store at Ocean Falls?

Hon. Mr. TAYLOR: No; not then, but there was "drunkenness in town," off these ships. And Temple says there was not bootlegging, and that he, the Constable, "was trying to have someone sent to assist me to get the man who was selling it." The "man who was selling it" meant here the financier, not the peddler. But apparently the Vancouver office was not keen on any discovery of this kind. Any sailor or steward caught with the goods might be sacrificed with safety; but as to the higher-ups, that no doubt would have been dangerous. Why? In my complaint to Sir Henry Thornton I ascribed this traffic in liquor to "officers afloat and ashore," and I

am more than ever convinced that this form of rascality was organized as I indicated, and as this Constable seemed to suspect.

Honourable gentlemen will note the reference to Capt. Boyd, made in the Constable's letter. This Constable had confidence in the Captain that he could be trusted to do the square thing and to observe the law. But evidently there was not this bond of sympathy between the Captain and the Vancouver office. To that office, or was it to the Montreal office, from which of course the fact would be passed back to Vancouver, Capt. Boyd had reported already, in the terms of the Constable's letter, that there was bootlegging going on from his ship, and that he would like to have a detective placed aboard to ascertain who were the operators—eventually the same request as made by the Constable. At no time did Capt. Boyd receive a direct answer, except the warning that if he persisted in reports of this kind he might be removed from the ship; but we have now the official attitude towards anyone who would stop the liquor operations of the Higher-Ups of the C.G.M.M. This is stated by Mr. Temple no doubt as an echo of the sentiments of those who bestowed hospitality on him and in return received from him the hospitality of his company during his stay in Vancouver—for during those seven weeks this official investigator was very far from being a recluse. And this is what he says, after his seven weeks of prompting from the Vancouver officials. The words will be found at page 97 of His Master's Voice:

> Had I been in Capt. Tedford's place, when I received Capt. Boyd's letters asking that a detective be placed on the ship to watch the conduct of the officers towards the captain, I think I would then have concluded that he was not a fit and proper man to remain in command of the Farmer.

Noble Mr. Temple, friend and protector of bootleggers, perjurers and confidence men, protegee of the head of the legal department and of the President! The men in charge at Vancouver when Constable Beavan reported seem to have been men after Mr. Temple's own heart. Far be it from them to follow the Constable's advice and consult with Capt. Boyd as to the identity of the guilty parties. Better that boot-legging should flourish—and be denied by the Temples of the service—than that it should be acknowledged by concerted action for its suppression. And so Capt. Boyd remained unconsulted, and the Constable's letter unanswered, for nearly a month, when on the 16th of June—this is just two months before the dismissal of Captain Boyd—Mr. Tourtellotte wrote from Vancouver to the anxiously waiting constable at Ocean Falls in these words:

Hon. Mr. BENNETT: What position does Turtellotte occupy?

Hon. Mr. TAYLOR: Assistant Manager.

> It had also been our opinion that the sailors or firemen were not responsible for bootlegging in any quantities on their own initiative or finance and we are waiting for some method to suggest itself—

These are the gentlemen referred to by my honourable friend from Ottawa as being dismissed. Certainly they were dismissed, but they were only stool pigeons.

Please note this, the office scorning to put on a detective at Capt. Boyd's request, and ignoring the similar suggestion from the Provincial Constable, waiting for "some method to suggest itself"—

> —by which we might be able to attach the blame against the right individual.
>
> We have not felt like questioning Capt. Boyd relative to whom he considers responsible, as discussed with you, as we did not wish to discuss the fact that you had written to us.
>
> Referring to the anonymous letter which you sent me, I believe this is in the handwriting of H. Davidson, former steward of the Observer. However, the information contained is no news to me.

Now, what was this that was piper's news to the manager of the Vancouver office? Here is what this anonymous letter said to the constable at Ocean Falls to whom it was addressed from Vancouver, on the 17th of May, 1922:

> Sir,—Kindly take notice that whisky is being brought aboard the Canadian Farmer for the purpose of bootlegging at Ocean Falls.

Let me refer again to Mr. Temple's impudent and unprincipled finding already quoted, as to the very time of the incidents narrated in these official letters, namely,

(1) That no bootlegging took place on the Farmer or the Volunteer.

The letters I have read have come through Mr. Temple, in the return now before this house. He deliberated over them for several weeks, and then made his report to his chief and to the President of the company, a false and disgraceful report intended to deceive the parliament and the people of Canada. What kind of a service is it, that puts forward men of the Temple type as the models to be followed by the hundreds of thousands in the ranks?

There is still another reference from the Constable, cited at page 926 of the evidence. He says:

> I tried for three or four months (to obtain assistance), and when Capt. Boyd thought that I was a little depressed it worried me that I could not get a man sent down. I realized that I could not do a damned thing by myself.

The Constable added (see page 928) that the first thirteen bottles of contraband that

came into his possession at Ocean Falls were not from one of the seamen, but from a first officer (now dead). But Temple says that there was "no bootlegging."

By the way, in connection with the reason given by the Vancouver office for not discussing the complaint of the Ocean Falls constable with Capt. Boyd, it is significant that at this very date, the 25th of May, Boyd wrote to Supt. Finglass at Vancouver: "I would like you to catch this bootlegger. I believe if you press this boatswain he will speak, or try Mr. Butler, I believe he knows." But Temple on his honour presents that there was "no bootlegging."

To make more emphatic his sympathy with the suspect bootlegger, log-stuffer, and perjurer who if abandoned could bring down with him the whole corrupt official house, Mr. Temple, confidant of the President, says through the head of the legal department and through the President:

(2) I find that there is no ground whatever for the serious charges made of bootlegging against Edgecombe and that such bootlegging did not take place.

But again the gentleman's finding is proved false—yes, that is the word—by the contents of his own book.

Here is a sample. One George Sargent, who as stated already had been on the Farmer, but dismissed at Capt Boyd's instance for bootlegging (notwithstanding that Temple falsely "finds" that there was no bootlegging), was interviewed at Portland, Oregon, by one of the detective officers of the C.G.M.M. Sargent's name as that of a man who knew what had been going on, had been given to the detective department, as he says by me. As Temple says, I gave him Sargent's name. This is what Temple himself reports (p. 36) as the result:

He stated that he had carried three cases of liquor and two sacks of beer on the Farmer for the first officer, Edgecombe, in the early part of April, 1922, and on the next trip in the same year he took 7 cases on board for Edgecombe and put them in the chief steward's room. It was pointed out that this was very direct evidence against Edgecombe, and he was asked what he had to say about it. His answer was: "It is false, there is no truth in it, the boatswain or no one else ever brought any liquor on board for me while I was chief officer of the Farmer."

This man is one of those reported by the constable at Ocean Falls as seeming to be peddling liquor for someone higher up in the ship. Sargent's statement appears to be fair ground for the charge, particularly as he offered to come to Vancouver and swear to it, thereby putting himself in the power of the law against perjury. But Temple airily waves away the suggestion. He says (p. 37):

It appears to me most unlikely that the statements contained in Sargent's examination can be true. What would a mate do with three cases of liquor and two sacks of beer on a ship the size of the Farmer? If they were consumed on such a short trip as those coast steamers make, it could not have been without the personal knowledge of the captain. The same remarks apply to the seven cases that he states he put in the chief steward's room and from the evidence that will be referred to later from the U.S. Customs officers, these statements appear to me to be false.

Please remember against something to come later on, Temple's query, "What would a mate do with three cases of liquor and two sacks of beer on a ship the size of the Farmer?" This question is put forward as a sufficient reply to Sargent. According to Temple and his fellow officials, Edgecombe was not a drinking man, and his room as mate was not a drinking centre on the ship. "All the officials from Mr. Keeley down denied this charge respecting Edgecombe's room" so Temple reports. But were Keeley and the rest honest in denying it? There came a time, finally, when Edgecombe was "caught with the goods," the customs finding him in possession of five cases of whiskey, although, as Temple says, what would one be doing with even three cases on a ship? What, indeed? Let us have Keeley himself on the subject, the Keeley whose testimony that there was no drinking going on on the ship has just been given: Here is how Keeley is reported in the Vancouver Sun of March 20:

The matter was reported to me and I found that the man was in the habit of making himself a good fellow in the up-coast ports before going to California, and that he wanted this liquor for his own use. The official report was that the captain took five cases for ship's stores to last several months instead of going to the liquor store every month. The liquor was all taken from him with the exception of one case, and he was suspended for 30 days.

Hon. Mr. DANDURAND: What was he allowed during the trip?

Hon. Mr. TAYLOR: He was not allowed any—none at all.

Hon. Mr. DANDURAND: Under the regulations the Captain could not carry for his own use?

Hon. Mr. TAYLOR: No. They say one case, but as a matter of fact they were never allowed one case. He said in his evidence that when he was mate he never took more than three or four bottles. The captain said he never took more than two bottles at one time, and took them at his own expense, to keep within the law.

This statement by Keeley was brought by me to the attention of Temple, who was asked to make a finding on it, in relation to other statements by the same official, Keeley being

Pacific Coast Manager and the head of the service in Vancouver. So far as I have seen, and I have carefully gone through the Temple report, he makes no finding. Why? Because Temple himself says, as I have quoted, that one officer would not want even three cases on the ship, yet here are five. And Keeley says he never heard of drinking in Edgecombe's room. Now there are sixty bottles in five cases. The time of absence of one of these ships from Vancouver on a trip is about twenty days, so that five cases would give three bottles a day for the entire trip. If the Keeley statement is true, that the whisky was for the purpose of Edgecombe "making a good fellow of himself" in the northern ports,—he is "in the habit" of doing that, Keeley says—then here is conclusive evidence of the excessive drinking as to which Capt. Boyd complained, but as to which Temple conveniently reports there is no evidence. If the whisky was not for consumption on the ship, then it was for bootlegging; in which case what about Temple's dual findings that neither as applied to the ship nor to Edgecombe personally was there any bootlegging? Already, therefore, paragraphs 2 and 3 of the Temple summary disappear as false and contrary to the evidence which he himself presents.

And I have evidence of guilty knowledge of these whisky operations on the part of Keeley, the Pacific Coast Manager, and on the part of the management at Montreal. The provincial government's liquor board having been informed that a large shipment of whisky had gone to the Volunteer on the order of Capt. Edgecombe, asked Keeley for an explanation, since naturally the Liquor Board would expect that the business of the Government vessels would be transacted there instead of at private export or a bootlegging warehouse. Here is the official statement the Pacific Coast Manager is said to have signed:

> Capt. Edgecombe ordered five cases of whisky for ship's stores which was against the rules of the Canadian Government Merchant Marine. The five cases of whisky were seized and are now in custody of H.M. Customs. Capt. Edgecombe was punished for the offence by thirty days suspension and other warning given him.

So far as it goes, it agrees with the Sun newspaper story just given; but listen now to this version presented to the president of the company for his consumption. I, having called the attention of Sir Henry Thornton to this matter, received reply as follows:

> The liquor in question was never at any time on board the vessel as the suppliers telephoned our Vancouver office as per instructions, when order was received, asking authority to deliver, which was refused.

Please note these concluding words: "Asking authority to deliver, which was refused." On the day in Vancouver recently when Mr. Temple refused to give me any information as to the progress of his pretended inquiry, I asked at the customs house there about the incident of the liquor seizure on the Volunteer. The collector of course knew me as a Member of Parliament, and had no hesitation in showing me the official report, which I presumed had been sent to Ottawa, and would be available here to any Member who asked for it. This official report of course makes no criticism of Keeley or of the C.G.M.M., but by its contents shows that the answer given by these worthies to their president to have sent to me, was a false report. It appears that the Customs received information that a consignment of liquor had been delivered to the Volunteer under suspicious circumstances, and having noted that there had been taken out, several days before, a clearance for five cases, inquired of the liquor house what had been done with these cases. The export house explained why they had not gone—see p. 216, Senate May 8—forward when cleared, and that within a short time previously they had been despatched to the wharf, where the Customs found and detained them.

Now, the Mr. Temple who so airily dismissed the Sargent information that Edgecombe was taking three cases and board, with the excuse "what would any one be doing with three cases?" accepts these five as quite naturally to be used by this his brother official. He says at page 53:

> There was absolutely nothing illegal or wrong in Edgecombe ordering these five cases, and had it not been for Mr. Keeley's intervention in preventing them going on the ship there was nothing to hinder the captain taking this liquor out of the bonded warehouse for ship's stores.

Now let us go into this Temple apology for his protégé Edgecombe, bootlegger, log-stuffer and perjurer, as will presently again appear. I notice that the honourable gentleman from Lambton (Hon. Mr. Pardee) smiles as though it was a ridiculous thing to call attention to the captain of one of His Majesty's vessels as a perjurer. It is not ridiculous where I live, or amongst some of the marine people whom I represent. "There was absolutely nothing illegal," Temple says, and when he wrote this to his chief and his President he had before him the document upon which Edgecombe secured the whisky at a nominal price from the bonded warehouse. To get this whiskey cheaply, he swore as follows:

> I, Albert J. Edgecombe, master of the ss. Canadian Volunteer, do solemnly swear that the goods above mentioned (namely, 5 cases Bulloch-Lade whisky, value $294) are necessary and intended for the use of my

crew numbering 28 persons during the voyage to San Pedro, Cal., the probable duration of which will not be less than thirty days.

This declaration was sworn before the deputy collector. By swearing falsely that the goods were for San Pedro and for the crew, he obtained at a price of about $100 whiskey for which he would have been charged $294 if he had told the truth; yet Temple says, "There was absolutely nothing illegal." Such is the Temple idea of honor in the service which he—let us say ornaments.

Temple had had a lot of evidence that Edgecombe was supposed to be trafficking in liquor. He had the Boyd correspondence, for instance, and the evidence of the several sailor men that they had been carrying for him. There was, too, the surmise of the Ocean Falls police, that some one on the Farmer, not in the seamen's quarters, was bootlegging. Temple might have been expected to be on the qui vive, when Edgecombe was brought before him, to secure a full explanation of his connection with these transactions. But was he? decidedly not. His curiosity at this stage was at the lowest ebb. Edgecombe had told that it had not been his habit to have whisky on the ship, that when he was mate he never had more than four bottles on leaving port, and also that "it was absolutely forbidden by the company to have any liquor on board the ship." Yet here he was with five cases at the ship's side, sixty bottles, sworn to be for the use of his crew on the trip to California; and the Company's investigator had nothing but approval for the situation. Was Temple asleep at this stage, and did he accidentally skip the tell-tale pages when during the month following he was poring over the evidence with a view to the report now before us? Or was he just plainly falsifying the situation by the suppression of evidence? Someone had the inspiration to ask, who paid for the liquor?—meaning, presumably, did the shipping company pay for it, as ship's stores, or did the Captain—a very natural question. Here was the answer (page 767):

Capt. Edgecombe: The whisky has never been paid for to my knowledge. . . . . It was never paid for by me.

Let us analyze the answer, since Mr. Temple has not performed the service for us. Was Edgecombe on such terms, as a regular customer for five-case lots, that the whisky would be delivered to his order without any arrangement as to payment. If there was "no bootlegging" as Temple says, the answer must be No! Evidently someone was expected to pay, and did pay, since export warehouses were not sending out whisky on credit.

Why did not Temple ascertain from Edgecombe the story of this shipment, by what arrangement the order was given, and sworn to by him as for ship's stores, and to whom he was to account for the proceeds of the shipment, or for the whisky itself—or was it a gift to him? We cannot take the Keeley story that the liquor was for the purpose of making a good fellow of himself up north. There was by this time a liquor store at Ocean Falls, the only northern port of call. Officer A. D. Ramsay of the liquor board said of the five cases of liquor obtained on Edgecombe's order (but as to which Edgecombe says he does not know who paid for them), (p. 1243a) that "those five cases of liquor were held by the customs as far as I could find out and that there was really nobody claiming them." Was not that a tragedy? Five cases of whisky and nobody claiming them, and no curiosity on the part of anybody, least of all of Mr. Temple as to what they were doing there.

Hon. Mr. DANDURAND: It was on this occasion that Edgecombe was suspended for 30 days.

Hon. Mr. TAYLOR: Yes, suspended for 30 days, but there is no evidence as to who were his partners in the whisky. Now, honourable gentlemen, note that here was a man with five cases of whisky, as to which he risked the penitentiary by taking a false oath, and it was not his whisky, because he did not pay for it, and he did not know who paid for it; he says so. Now, who did pay for it? It must have been some person ashore, some of the higher-up who were in league with Edgecombe in the whisky business. Here is Mr. Temple spending seven weeks in Vancouver investigating a charge of bootlegging on those trips, asking no questions to discover whose this whisky was. You have the key of the whole situation there. If Edgecombe had been pressed with the question, "How was it you got that whisky without paying for it?" and he finally said, "Well, if I must say so, that was Smith's whisky"—or Brown's whisky, or Jones' whisky, and telling whose it was, and that he had arranged to take that whisky on board—

Hon. Mr. DANDURAND: He did not claim it was for ship's stores?

Hon. Mr. TAYLOR: He swore they were not allowed to take ship's stores. I read his own evidence to Mr. Temple, which was, "We are not allowed to have any whisky on board," and there is a notice from the Vancouver office threatening with dismissal any officer or man found bringing whisky on board.

Hon. Mr. HAYDON: He was suspended for 30 days.

Hon. Mr. TAYLOR: He was suspended, but that is not the point. Who paid him for the thirty days?

Hon. Mr. HAYDON: The honourable gentleman is indicating a laxity of control in the managers of the Mercantile Marine. When they dismiss a man for an offence, does not that show that the managers are taking care of the situation?

Hon. Mr. TAYLOR: It might in the view of counsel for the C.G.M.M., but it does not in my view. This man was found making a false declaration; he was liable to prosecution and penitentiary. He was allowed off for a month because the Customs officers and Liquor Board officers were up at the side of the ship asking about it, and in a position to make a noise about it, and it was up to someone to do something; yet he did not claim it was his whisky. The Liquor Board officer said it remained there for weeks unclaimed. How do we know that the owners of that whisky did not pay that Captain his salary for the month so that he had a holiday over the incident, and nothing else?

Hon. Mr. HAYDON: Unless we do know, why put an innuendo against the Mercantile Marine?

Hon. Mr. TAYLOR: I am asking for an inquiry into these events. If Mr. Temple had investigated, instead of applying anesthetics, he would have carried out the investigation that I now suggest.

Hon. Mr. HAYDON: I think it was unfair to charge Mr. Temple with things of that kind. The honourable gentleman is sheltered by the privilege of this House, while Temple is simply a solicitor outside. I think it is a little hard on Mr. Temple.

Hon. Mr. TAYLOR: I do not mind the interruptions a bit, but I am surprised to find an honourable member of this House with nothing but apology for rascalities such as this evidence indicates. I am dealing with evidence every word of which is taken from the documents put in by this Mr. Temple, and I am protesting with all the force of which I am capable against the indignity offered to this Parliament of reporting to us that there was no bootlegging on the Farmer or the Volunteer, or by Edgecombe, in the face of the sworn affidavit recovered from the Custom House and all the other corroborative evidence that exists. That is the point that amazes me, and it is because protection can be obtained in high places that crimes of this kind flourish, to the disgrace and distress of the honest men in the Canadian Government service.

At this late hour I will not go into the Amburn testimony, but I can wind up in a few minutes. A watchman named Robert Amburn made a most detailed affidavit of the regular bringing of liquor on board these ships. It turned out that he was the man who gave the information to the Customs on which this Edgecombe blow-up occurred, and those five cases were found. Mr. Temple dismisses Amburn, as he dismissed anyone of any consequence, by the statement that he was utterly unreliable. He takes the statement of one A. Gibson, that he dismissed Amburn because he was unreliable. Amburn had been two years in the service then. This Gibson says that he dismissed him with the three words, "You are through." He had no other conversation with him whatever; he simply said, "You are through," and Temple accepts that. Now this is what Amburn says:

> Immediately before the war I resided at Penticton, B.C., where I joined the B.C. Horse, and later went overseas with the 2nd C.M.R. under the command of Col. Bott. I served in France, and was wounded at Messine Ridge. I returned to Canada in August, 1916. About five years ago I came to reside in North Vancouver, and since that time I have been employed principally as watchman.

Amburn gives references covering the whole period of his employment, which was almost invariably as watchman, with the B. C. Packers' Association in 1917; The Wm. Lyall Shipbuilding Company in 1918; James Coughlan & Sons, Shipbuilders, Vancouver, 1920; Alexander Philip, District Police Magistrate, North Vancouver, 1921.

Now, in case the reference to the Police Magistrate might be questioned I would like to read this one:

> To James H. Falconer, Esq.,
> Liquor Control Board.
>
> This will introduce to you Mr. Robert Amburn, a returned soldier of good reputation, who is resident in this city. He has held various positions of responsibility and bears good recommendations. I will be glad if you can in any way further his interests. He is a good and intelligent Liberal.
>
> (Sgd.) Alex. Philip.

This is a high-class man. Here is the endorsement on it:

> Dear Falconer:
>
> I wish you could do something for this man from North Vancouver. M. A. Macdonald.

Hon. Mr. BENNETT: Is that his Lordship Judge Macdonald?

Hon. Mr. TAYLOR: That is the gentleman who was appointed as Judge of the Appeal

Court the other day. Surely his name carries respect here. Then there is a recommendation from the Returned Soldiers' Club of Vancouver, dated July 8, 1921; a recommendation from Victor W. Odlum, who was elected the other day as Liberal member for Vancouver, dated March 9, 1922; and last of all a recommendation for re-employment in the Government service, this recommendation being by the same M. A. Macdonald just quoted, reading:

Dear Charles:

Amburn thinks there is a position open tying up boats at wharf—Salisbury wharf. He could do that.

Now, I think I have shown you that Amburn is not entirely unworthy. That is the man, by the way, that was dismissed with three words, "You are through." When we come to find out who dismissed him we find that it is Mr. Gibson who dismissed him that way, who is himself under suspicion of something on the wharf which caused Manager Keeley to put Detective McDuffee to watch him. McDuffee was called by Mr. Temple and told him how he was watching Gibson, McNicholl and Andrews. There is the suspect bootlegger dismissing a returned soldier watchman with the contemptuous words, "You are through."

This is how Amburn tells about his dismissal. He says:

About three months after this incident—

This is when he saw Edgecombe bringing 20 cases on to his vessel—

—namely, in June, 1923, I was informed by Mr. Gibson, superintendent of cargo, that I was dismissed. The reason, he said, was that I talked too much about what I saw on the ships. He said I was accused of giving information about liquor being on board the Volunteer. He said the orders for my dismissal came from Mr. B. C. Keeley, the superintendent, and that Keeley still thought I had had to do with that letter to the provincial police at Ocean Falls. I was supposed, also, he said, to have talked too freely to customs officers and to men from the Liquor Control Board who had come to question me. Upon inquiry in town, I found that my dismissal had been discussed before the local patronage committee before the notice was given to me and that it had been assented to by them. I was not given any notice or pay, but simply fired on the spot.

Now, I think I have made it plain that there is evidence of bootlegging against Edgecombe. There are the several men of the crew who describe his cabin as the liquor stronghold; Storey, who says "the mate had liquor in him all the time" though "not especially drunk"—all these citations are from the His Master's Voice pamphlet circulated on Mr. Temple's authority—Sargeant, who carried on for him the 3 cases and 2 sacks in April, 1922, and 7 cases on the next trip; Floden, who was sent ashore to buy twelve bottles for Edgecombe; Amburn, who says Edgecombe told him of paying the $50 fine put on Fraser by Capt. Boyd. On the other hand are the unsworn denials of Edgecombe himself. Yet Temple takes Edgecombe against the universe, and finds that there was no bootlegging by him or on either of his ships!

I think there has been established an irresistible case that from first to last Edgecombe was identified with bootlegging, and that Temple has had the set purpose of shielding this man from the bootlegging charge as well as from the charge of fabricating evidence to support a fraudulent claim for insurance. I would remind the President of the road of the threat or promise he made in his letter to me in February last, that "when this investigation is over we will certainly dismiss from the service any one who is found guilty of acts which affect their usefulness," and I ask him to make this promise effective in the cases now brought to his attention.

Now, the question is, what are we going to do about it? The honourable gentleman suggested to me the other day a Royal Commission. What good would a Royal Commission be without the police evidence that only the Government, through its police force, could supply? With the threat of the President and the high officers to fire anyone who gives any information, how can you get any information from any persons in the service, and the moment they leave the service they are characterized as discharged employees and inspired by unworthy motives. As I see it, the paramount duty is not to have Royal Commissions or Committees or anything elaborate of that kind, but to put the police force of this Government on the trail of those people.

I have sufficient confidence in the Mounted Police of Canada to think that if the Government placed them on the trail of the bootlegging on the Canadian Government Merchant Marine, and the purchasing frauds in connection with that service, which stink in the nostrils of the people of all parts of the country, we would very soon obtain results, and that performances such as I have had unfortunately to give to this House to-night would be avoided for the future.

Hon. ANDREW HAYDON: Honourable gentlemen, I ask the liberty of making a few observations in this debate, begun first upon a motion for an inquiry made by the honourable gentleman from New Westminster (Hon. Mr. Taylor) and continued on the motion now before the House, sponsored by the honourable gentleman from Simcoe (Hon. Mr. Bennett).

As a newcomer in this House, although not entirely unacquainted with its proceedings—for may I say that for the past 20 years or so I have had the privilege of coming before the Committees of the Senate, and of becoming acquainted to some extent with what happens in connection with this Chamber—may I crave your indulgence to-night because I am a newcomer and because this is the first opportunity I have had to make any remarks in this Chamber. I feel that I could not let the opportunity go by without saying something in reference to the gentleman who has been spoken of in very strong terms, and I think in very unworthy terms, by the honourable gentleman who has just sat down.

I have known Mr. Reginald Temple for some 16 or 17 years. I have met him from time to time in days gone by, before the Railway Commission, in courts, and elsewhere. There is no more honourable man in Canada than Reginald Temple. I have never been associated with him; I have always been opposed to him; I am opposed to him in politics, for he belongs to the Conservative party. I am not mentioning this by way of introducing politics into this Chamber, because I listened the other day to a warning to that effect from the leader of the Conservative party in this House. But I mention it so that anything I may say in this debate is put, not upon political grounds, but upon the grounds which I think all gentlemen in this Chamber, or outside of it, should take in regard to our national undertakings, such as the National Railways and the Mercantile Marine of Canada. I am speaking, therefore, not so much as a solicitor or lawyer, not so much as a member of the Senate, not so much as a member of the Liberal party, to which I am proud to belong, or as an opponent of the Conserative party, but rather as a Canadian. The national undertaking of the railways or of the Mercantile Marine is not a party concern. It was brought into the world and fostered and sponsored by the Conservative party. It has become the adopted child of the Liberal party. But it is a national thing; it is beyond and above party consideration; and unless we can look at the institution in that way, I fail to see that we are performing our duty as legislators or civil governors.

Now, may I, in order to be intelligible, summarize the situation which has been presented by the honourable gentleman who has laid the charges and has asked for an investigation of these matters by the Senate.

Let us begin with the statements made by the honourable gentleman from New Westminster (Hon. Mr. Taylor) on the 8th of May last, continuing until to-night. All the charges upon which the motion for an investigation is based fall into four classes. There is first Captain Boyd's dismissal and all the matters that hinge upon that dismissal—the forging of the log; the accidents; the repairs to the ship at Vancouver or Prince Rupert; the frauds perpetrated on the insurance company accordingly. All make up a kind of conspiracy upon which the dismissal is based. That is the first line of charges. The second refers to bootlegging on the ships, which has been discussed by the honourable gentleman at some length to-night. The third class of charges introduced by the honourable gentleman on the 8th of May were the charges against Labrie, the purchasing agent for the Railways on the Island of Vancouver. Then, between the 8th of May and to-night another series of "rascalities," as the honourable gentleman calls them, have been alleged in connection with the stealing from the Vancouver docks of property of the Mercantile Marine of Canada.

These are the various complaints or bases of charges which the honourable gentleman desires should be investigated by a Committee of this House. I will proceed presently to discuss them at some length.

When the honourable gentleman first brought up the question in this House on the 8th of May, he read a series of correspondence referring to the difficulties which he had in endeavouring to get answers from Sir Henry Thornton and the authorities at Montreal as to why these rascalities were not considered or investigated. May I call the attention of honourable members of the House to this fact, that while the chief accident which befell Boyd as master of the Canadian Farmer took place at Danger Reef, somewhere between Vancouver and Prince Rupert, on the 18th of June, 1922, about two or three months afterwards the proper tribunal investigated the accident. The Wreck Commissioners of Canada are appointed, as you know, under a law administered by the Department of Marine. The Wreck Commissioner, Mr. Macpherson, and two assistants held court, considered the accident, as was their duty, and reported fully upon it. Their general report is attached to one of the prints before this House. They are a tribunal set up under the law to examine affairs of this kind. They have the technical knowledge and other qualifications required to enable them to make a proper investigation of such a case. They investigated the situation, and the result of their inquiry was submitted to the authorities of the Railway at Montreal. Any reasonable man would expect that, when a duly qualified court has examined

into a situation and reported, the findings of that court ought to prevail. Having before him the report, with certain findings to which I shall refer a little later—against Boyd in all instances—surely Sir Henry was perfectly justified in saying: "I will not have the money of Canada or the time of my officials in the Canadian National Railways or the Mercantile Marine spent in further investigating for days and days what has already been fully investigated." That was, as I understand, the attitude which made Sir Henry Thornton reluctant to accede to the honourable gentleman's request, and to me it seems a perfectly reasonable position to take, in view of the position which Sir Henry Thornton held, and of the position of the National Railways. I will come back to this point in a few minutes.

After a number of months Mr. Temple, the Regional Counsel of the Railways at the city of Winnipeg, went out to the Coast at the request of Sir Henry Thornton, to endeavour to satisfy the honourable gentleman from New Westminster and bring home to his mind some understanding of the situation, and to follow out the complaint which the honourable gentleman had made, in order to set this situation right in the minds of the managers of the Railways and before the people of Canada, if such a thing could be done.

I have spoken of my knowledge of Mr. Temple. I repeat that I am sorry his honour, his ability, his rectitude, have been questioned so furiously and fiercely by the honourable gentleman from New Westminster to-night. I do not know whether I am within the rules of this House or not, and I do not want to say anything which may be offensive, or take advantage of any kind of consideration which may not be entirely according to the etiquette of this House; but I say to the honourable gentleman that if he made such statements against me as he has made to-night against Mr. Temple, I would ask him to divest himself of the privileges which surround him as a Senator, and I would sue him in the courts of the land for ruinous damages.

Hon Mr. TANNER: You are like Finglass. That is what Finglass did.

Hon. Mr. HAYDON: That is what I hope they do.

Hon. Mr. TAYLOR: Finglass said to come out into the open.

Hon. Mr. HAYDON: I will perhaps refer to that before I finish.

Hon. Mr. TANNER: The honourable gentleman has a fighting spirit. Better use arguments instead of that kind of talk.

Hon. Mr. HAYDON: The talk is all right. I am going to use arguments too.

Hon Mr. TANNER: You have not, so far.

Hon. Mr. HAYDON: I am quite within my right in at least thinking, if I may not say it, just what I have said.

Hon. Mr. TANNER: Noise does not count.

Hon. Mr. PARDEE: Then you ought to keep quiet.

Hon. Mr. HAYDON: I desire to make a presentation of the Railway side of this affair. Boyd got a letter of dismissal, to which the honourable gentleman has referred from time to time; and in this letter of dismissal he was informed that he was dismissed because of accidents to his ship. What were the accidents? I will take the liberty of enumerating them briefly. Before doing so, may I say that Captain Boyd, as the honourable gentleman has stated, was a master who had been sailing for between thirty and forty years, but his sailings for the most part had been on the Atlantic Ocean and in sailing vessels, not in steamships. He had very little experience as commander of a steamship, but a great deal of experience in finding fault with his crews or finding difficulties in the position into which he had fallen.

As to the position from which he has been dismissed, I understand he was recommended for it by the honourable gentleman from New Westminster. At any rate, this is not the first time that this cause has been championed by the honourable gentleman. Twelve years ago Captain Boyd was the skipper of a snag-boat on the Fraser River, and he got into many difficulties then. He was making enemies among his crew and was getting into a number of difficulties. He sought the advice of his friend—of the gentleman of whom he had once been an elector in New Westminster, and who is now an honourable member of this House. Captain Boyd sought the honourable gentleman's aid in connection with the snag-boat difficulties. A Government investigation was made at that time. I should imagine that if the Canadian Mercantile Marine had understood that Boyd was an individual of that sort, not even the recommendation of the honourable gentleman from New Westminster would have put him in command of the vessel, the Canadian Farmer, or any other ship running in the Canadian Mercantile Marine.

Hon. Mr. TAYLOR: Would the honourable gentleman permit me for a moment? It is not correct that Captain Boyd secured his appointment on my recommendation.

Hon. Mr. BENNETT: Do not spoil the story.

Hon. Mr. HAYDON: The story will be all right.

Hon. Mr. TAYLOR: Excuse me. Captain Boyd called on Captain Tedford on his way back from four years' service in command of a steam vessel in the war; satisfied Captain Tedford of his qualifications to go on a ship, and was promised an appointment. The only part I had in it was that twelve or thirteen months later Captain Boyd asked me if I could do anything to hasten his appointment, and I wrote a polite letter to Captain Tedford, asking him if Boyd was ever going to get his appointment, and stating that if he was not going to get it, it would be kindness to let him know, so that he might seek other employment. In answer to that, Captain Tedford asked me to tell Boyd that he would get the next ship that came to the Pacific. That was my connection with Captain Boyd's appointment.

Hon. Mr. HAYDON: That is quite in accord with the statement I made, except that the honourable gentleman offers a little longer explanation.

Captain Boyd took command of the Canadian Farmer and went out to the Pacific Coast, on the ship sailing from Vancouver northward to Prince Rupert, and on the ship again, sailing southward from Vancouver to San Pedro, a Californian port. He went into command in, I think, August, 1921, and lost his command, by dismissal, at the end of August 1922. I desire briefly to outline Captain Boyd's record as the master or skipper of the Canadian Farmer.

First he ran ashore on Nanaimo Flats. The third officer, Butler, said there was a dredged channel; Boyd relied on this and ran on the bank, and the damage to the Canadian Farmer was $2,000. Boyd had already been given a pilot to show him the course up and down the coast. The Mercantile Marine of Canada thought that they were doing a reasonable thing in instructing this new captain, who came from the other sea, and showing him what the course was like, and what were the snags and dangers. It cost the Mercantile Marine of Canada $1,378.62 to do this. I mean, they were taking a reasonable precaution in instructing their new captain how to run their ship. Very well. It was not long until he managed to run the ship ashore on Nanaimo Flats, causing damages, as I say, to the extent of $2,000. He has always had the habit of blaming somebody else, and of course in this case it was not his fault—the third officer, Mr. Butler, was to blame.

Later in the year he ran into some logs out from Ocean Falls, and this time he blamed the wheelman. Of course, he was the captain of the ship, but in his opinion the blame does not rest on the captain.

Then, the Canadian Farmer was manoeuvering for place at San Pedro wharf, on the Californian coast, and collided with another ship called the Caluso. He blamed the pilot this time. The damage was small, but as I understand shipping affairs, it is the business of the master or skipper to superintend the pilot.

Hon. Mr. ROBERTSON: Could my honourable friend inform the House of the source of his information?

Hon. Mr. HAYDON: It comes from the evidence.

Hon. Mr. ROBERTSON: From Mr. Temple's report?

Hon. Mr. TAYLOR: What page?

Hon. Mr. ROBERTSON: The honourable gentleman from New Westminster always quoted the page and gave the complete record.

Hon. Mr. HAYDON: I am not going to quote pages always. If I may be allowed, I will take the responsibility of making these statements after examining the evidence. I am discussing Mr. Temple's report.

Hon. Mr. TAYLOR: The evidence in regard to that California accident was that the pilot was in charge. Everybody knows that the captain is always responsible. The pilot was in charge of the ship, moving it from the front to the stern of another vessel, and they side-swiped the overhanging boats of the other vessel with the sidelight of the Farmer. Each vessel paid its own damages, they being both responsible. The pilot was in charge. In the Ocean Falls case, to which the honourable gentleman refers, if he has read the evidence he knows as well as I do that the wheelman put the wheel around the wrong way, and put it a second time further the wrong way. The captain rang the ship full speed astern and sent the mate into the wheelhouse to find out what was the trouble. The mate came back and said: "The man has the wheel the wrong way: he is 'dopey'." Yet we are told in this House on the authority of an honourable member that that is something to lay against the captain.

Hon. Mr. HAYDON: It does not matter what the explanations are. Boyd was in command of the ship. If this ship met with a series of accidents, Boyd as the captain was responsible. If I hire a man to do certain things for me and that man proceeds to make a series of mistakes, I fire him. A

series of mistakes resulted in Boyd's dismissal. It does not matter whom he blames. It does not matter what sort of circumstances he fell into, or what were his explanations as to those circumstances. The fact remains that the blame falls upon the master of the vessel, and if the Mercantile Marine of Canada is going to place the blame at one time on the third officer, and at another on the wheelman, whether he is "dopey" or not, how can it be expected to survive? It must depend upon its captains, and if it has not capable captains it must fail. The Mercantile Marine was right in dismissing Boyd rather than disbanding the company.

Then, at the New England fish-dock the Canadian Farmer's propeller was fouled with the stern line. The master's duty was to see that the lines were clear. Captain Boyd blamed the third officer.

Another charge against Boyd was that of blocking the fairway in San Pedro Harbour, where he got into difficulty with another ship. He blamed some other officer.

Hon. Mr. BENNETT: Will the honourable gentleman read what Tedford said about that?

Hon. Mr. HAYDON: I have not that before me just now. I am presenting the cases in this way, and the honourable gentleman may make whatever objections he likes after a while.

Hon. Mr. BENNETT: Read the evidence.

Hon. Mr. HAYDON: Then the ship got into difficulty at North Vancouver, causing damage to the ferry slip there. Boyd blamed the engineer for this, though he himself was master of the vessel.

I am not going to bother about half-a-dozen minor things, but now comes the major accident. On the 18th of June, 1922, he ran into Danger Reef, and from this time onward we hear a great deal about hand steering gear and bilge keels and dented plates and all kinds of troubles that have arisen out of these matters, including insurance frauds at Prince Rupert. This damage that occurred on the 18th of June at Danger Reef on the way up from Vancouver to Price Rupert is the damage that was particularly investigated by the Wreck Commissioners of Canada. These Wreck Commissioners, equipped as I have already said with intelligence, knowledge and technical qualifications to adjudicate and report upon a case of this kind, considered the situation arising out of the damage at Danger Reef. I need not worry honourable gentlemen by recounting everything that the Wreck Commissioners held. It is already in print. But they go on to say of Boyd:

> The court, however, feels that he is to be more pitied than blamed for not taking care of the situation, as, though undoubtedly an excellent and practical seaman, with many successful years' experience in command of foreign-going sailing vessels, his knowledge of local conditions in British Columbia coastal waters cannot be otherwise than very limited, as is his experience in command of steam vessels.

So, without any hesitation, a thoroughly equipped court—the kind of body that investigates wrecks on all our coasts—finds against Captain Boyd—that he ran on Danger Reef, and that it was his fault.

Captain Boyd is not satisfied with having got into the Reef accident, nor content with the consideration of it alone. He brings in another charge before the Wreck Commissioners—a charge which has been mentioned by the honourable gentleman from New Westminster to-night—that following this accident there were various things which appeared to happen on the ship—damage to some of the ship's gear, entries in the log which indicated some straining of the chains, difficult working of the steering gear, and so on. He proceeds to say that the entries concerning these things are forged. The Wreck Commissioners investigate the forgery charges and the claims that he makes in connection with what he thought were attacks upon him and his seamanship in regard to these things. He indicated that some of the officers of the ship had made these forgeries—that is the general indication throughout the evidence—and that the blame falls on him, and that further consequences detrimental to him ensue. The Wreck Commissioners go on to say that, after considerable argument and evidence had been taken, the alleged false entries in the log appeared to be three in number—two in the mate's log-book, and one in the engineer's log-book—all equally trivial and petty. And further, in order to express their condemnation of the failure of Captain Boyd to establish these charges of forgery and crookedness, they tax him with the ordinary costs that go against any unsuccessful and wrongful litigant.

That, for the most part, is all that I care to offer to-night in regard to the Mercantile Marine's reasons for dismissing Captain Boyd—an incompetent, incapable shipmaster, and a man who has had a series of accidents with his ship. "The position of the management becomes absolutely unbearable; we cannot have this man any longer; we must dismiss him." That is the attitude of the Canadian Merchant Marine towards this kind of ship captain, and he is dismissed. And not until then—and remember, that was in the end of August, 1922, and the Wreck Commissioner set out on his inquiries in the fall of that

year—does he come in with his charges of log forgeries and a scheme by way of conspiracy to obtain a lot of wrongful repairs to the ship, whereby the company will pay what they should not pay and the officers will get graft from it. Then he brings in bootlegging. And finally he runs to the honourable gentleman from New Westminster (Hon. Mr. Taylor) and pours his story into his ear because he had already befriended him in a somewhat similar situation in regard to the Fraser river.

Hon. Mr. TAYLOR: Will the honourable gentleman permit me again? I am sorry to hear him misrepresent Captain Boyd. Boyd was in no trouble on the Samson.

Hon. Mr. HAYDON: I did not say that at all.

Hon. Mr. TAYLOR: Would the honourable gentleman permit me? Of course, I know I am out of order, but I think perhaps he will permit me, because it is a man's character he is attacking. Captain Boyd reported to me a series of robberies from the Samson by members of the crew. I caused an inquiry to be held before a judge, who, after completing the inquiry, recommended the dismissal of four persons and the reinstatement of Captain Boyd, who had been dismissed by his immediate chief for making the reports. There was nothing against Captain Boyd; he was entirely justified; and there is nothing against him in connection with the Samson.

Hon. Mr. HAYDON: I did not say there was anything against him in connection with the Samson on the Fraser river. I said that, just as he ran to his friends at that time to help him out, he runs to him again. This time he is dismissed for cause, and if you go through the evidence you will find that those who are most active in helping out Boyd in his story have also been dismissed from the employ of the Merchant Marine.

I pass over the minor incidents that happened to this man's ship, and leave honourable gentleman of this House with that statement, as I have given it, as the statement of the case for the Merchant Marine, and the reason why Captain Boyd was dismissed. I trust that it will remain clearly in honourable gentlemen's minds.

Now, let us take the other side of the story. Captain Boyd came to the honourable gentlemen from New Westminster, and to my mind a very remarkable situation was created. In various places in the evidence there are constant indications that the whole of the dismissal of Captain Boyd hangs on the forging of the log-book. One would have supposed that the captain would have been the discovery of this most unusual situation—that he, with his log and his knowledge of seamanship, would have discovered the forgery and would have gone on to build up his theory. May I read what appears in the evidence which was given by the honourable gentleman from New Westminster himself, in which he was denying some statements made by the Wreck Commissioner, and in which he went on to say:

I wish to say that I am wholly responsible for these charges—

Hon. Mr. TAYLOR: Hear, hear.

Hon. Mr. HAYDON (reading):

—that there was no inspiration of Captain Boyd at all; that I discovered these forgeries, and I maintain the forgeries. I was responsible for pointing them out to Captain Boyd and advising Captain Boyd to feature that part of the conspiracy against him.

Hon. Mr. TAYLOR: Hear, hear.

Hon. Mr. HAYDON: So the suggestion of malice on the part of Boyd, he says, is quite unnecessary and incorrect. Then the honourable gentleman proceeds to indicate the way in which he instructed Boyd how to get in his own mind the idea that there was a conspiracy against him, and that it was because of that conspiracy that he was discharged from his employment; that he would have to understand that the Danger Reef accident could not possibly have caused to the ship all the injuries which were said to have occurred to it; and that if there had been extensive injuries to the ship they were for the express purpose of getting to a dock somewhere, so that large and unnecessary repairs would be made—unusual repairs—and so that the people who paid the insurance money would have a graft, and the whole series of circumstances would make up a conspiracy, which, he maintains, was the reason why Boyd was dismissed. Providing you grant the premises, the conclusion follows; but if there are no premises, there is no conclusion. That is the difficulty I find in dealing with the situation set up by the honourable gentleman.

Instead of finding out what the facts are and then drawing from them the proper deduction, he gets his theory first, and then proceeds to interpret things that he says are facts, and bends them into a series of conclusions which are to my mind in almost every respect hopelessly erroneous and wrong.

I do not propose to follow all the details of the various examples of ways and means by which this theory is supported. Here is the ship's log. There is an accident of some kind on the 18th of June. The Wreck Commis-

sioners say the ship hit Danger Reef and I accept their report against Captain Boyd and everybody else, because Boyd does not kick against the situation until he is dismissed. Then, with the help of the honourable gentleman from New Westminster, and a theory of this sort, he makes these charges which to my mind are absolutely and wholly preposterous. They begin with the forging of the log. I take the liberty of saying, on my responsibility as a member of this House, that I have seen the log of this ship. I have seen a good many documents in my time; I have seen what are called forgeries and what are not; and I say that no reasonable man, looking at that log, would call it a forgery. Because an entry in a book appears to be written in one kind of ink—black ink— and another in another part of the book in a shaded ink—particularly in the summer time—it is called a forgery. To my mind, that is absolute nonsense, and Boyd was mistaken.

It did appear that after the ship struck Danger Reef on the 18th of June—and she did not go into drydock until the end of August—there were some entries in the log-book indicating that the steering chains were being strained and that the machinery was not working as well as it might. No one even then exactly understood, as far as I can find out, just what happened—whether that was caused directly by the striking that day, or whether it was caused a little later through some derangement of the machinery that occurred because of the striking. It was quite to be expected that as the ship went on for the next two or three weeks it might have gone into a port, as it did go to Ocean Falls, to get a certificate from the proper officer that she seemed to be all right. That was quite consistent with the expectation that when she went into drydock some further damage might be found. But that would not fit into the theory that there was an arrangement to get Boyd, and all the rest of it. The theory would not work out that way.

Very well, the ship goes into drydock at the end of August and there is all sorts of evidence about the damage that was done to the ship. The honourable gentleman (Hon. Mr. Taylor) spent a good while to-night describing the plates on the ship. The ship is covered with plates, as honourable gentlemen know, and here is a plate some 10 feet long with a dent in it, and according to some of the employees, it was not necessary to do anything at all with that plate except, as one of them says, to "fair it in place," which means to fix it where it stood in the ship. The agents for the underwriters, the classifiers, the owners, and the dock company are all capable men, and they went and examined the ship. She came into port on the 19th. Boyd tried to say it was the 20th, Sunday; but the honourable gentleman endeavoured to correct that tonight. The ship was examined that day and the next day, and it does not matter whether they stayed in Prince Rupert or went away. If I am the master builder of this building, I do not have to stay here to see men building a column. I direct the building. But the honourable gentleman draws the inference that they could not possibly have checked up the work unless they were sitting on the dock looking at it all the time, it would be impossible for men to do otherwise, and that because they went away things must have been wrong. This is an example of a wrong inference. This is what I am complaining about, and this I say, is what gives to the people of Canada an entirely wrong view of the situation, and leads the honourable gentleman to go very far afield in charging all the important men at Prince Rupert with having had a wrongful set of repairs made on this vessel in order to share in the money coming from the insurers to indemnify the loss.

The honourable gentleman made some capital to-night, of some evidence or statements offered hinging on a fellow of the name of Stanley Mark. He says that Mr. Temple not calling him shows inaccuracies and want of good faith. I have some memoranda of the honourable gentleman in my hands, and I may tell the House that one of the star witnesses that he desired to have called was Jack Sheppard, the boss of the gang at Prince Rupert. Mr. Temple called Jack Sheppard, and I just offer this, without going into it minutely, to show honourable gentlemen that the inference which my honourable friend draws from the fact that Mr. Temple did not call this fellow Mark is hopelessly wrong, because his own star witness, Sheppard, in going on to talk about Mark, says that he was a young fellow twenty-four years of age, with hardly any experience—just a riveter. Mark says: "We did not take this big plate off and take it to the blacksmith's shop and put it through rollers." Nothing like that happened to it, although the things are charged for in the specification. Well, Sheppard proceeds to contradict Mark in every particular, and, as far as I remember the reference, says that he simply did not know what he was talking about. The honourable gentleman's method of getting wrong inferences from situations runs like this: I am putting up a building, and some one says that the stones are crooked, that the mortar is wrong, that the wall has a cant when it should

be perpendicular; so I call in a plumber to tell me. That is the kind of argument that has been offered in connection with this matter: one kind of workman is called into the investigation to prove what he does not know. I would not ask a plumber to tell me whether the stones on a building were straight or not; I would ask a stone mason. I would not ask a young fellow of 24 years, who knew no more about a ship's bottom than he did of the moon, to tell me whether the repairs on that ship were right or wrong. That is what I complain about in the presentation of his case; that is what is wrong about it; that is what makes it, to my mind, farcical, if I may be allowed to use that word in this House. Sheppard was asked what he would say about the statement that this plate about which the honourable gentleman talked to-night had not been touched or affected by heat, and his reply was that the man who would so state was a liar.

Hon. Mr. TAYLOR: Who said that?

Hon. Mr. HAYDON: I am showing how this star witness, Sheppard, treats the honourable gentleman's reliable witness, Stanley Mark.

Hon. Mr. TAYLOR: If the honourable gentleman wishes to be correct, Stanley Mark never said anything like that at all.

Hon. Mr. HAYDON: I did not say he did, I said Sheppard said that about Mark.

Hon. Mr. TAYLOR: But Mark did not say the things that the honourable gentleman says Sheppard corrected. He is wrong there.

Hon. Mr. HAYDON: Mark did not give evidence, but he put in an affidavit supported by the honourable gentleman.

Hon. Mr. TAYLOR: Yes, I read that to this House.

Hon. Mr. HAYDON: I am not saying that Mark said that anybody was a liar. I am saying that Temple, as he sat there reading from Mark's affidavit, asked Sheppard—

Hon. Mr. TAYLOR: No, Temple did not say that either.

Hon. Mr. WATSON: Sheppard said it.

Hon. Mr. HAYDON: Well, the evidence is there, at page 1481, and I leave it with the honourable gentleman to make whatever answer he likes about it. That was the statement; but that is not the particular point. Sheppard goes on to say that Mark's experience and his age would not warrant him being considered an experienced boat-builder; he was not a skilled workman; his experience was only obtained after a short experience of the work, as a riveter and holder-on, and he never occupied any position under Sheppard. That is the kind of evidence we are asked to rely upon. I do not care whether Mark said it, or who said it, but I am pointing out that the wrong method is taken to work out the points that the honourable gentleman seeks to disclose. This is the situation that bothers him.

The honourable gentleman cites a number of incidents and items when the ship was at Prince Rupert dock; he speaks of a lot of repairs that were not necessary, and of holding the ship there much longer than was necessary. All those things went to make up a conspiracy, on the theory offered by the honourable gentleman, which resulted, so far as that line of operations went, in the dismissal of Captain Boyd.

No honourable gentleman in this House who would take a reasonable view of any evidence offered in a court or investigation into any kind of situation, would come to such conclusions as were reached by the honourable member for New Westminster on these statements and evidence. To my mind it is absolutely impossible for any one who understands anything about these things to draw such conclusions from that sort of a situation.

On the second charge, that of bootlegging, we heard a good deal more to-night than was offered by the honourable gentleman on the 8th of May. He indicates that bootlegging is rife, and proceeds to announce to this House that it is winked at by the managers of the Merchant Marine. I would ask, if an honourable gentleman of this House rode on a train in the province of Ontario and happened to have a bottle of whisky in his suitcase—as I think sometimes an honourable gentleman may do—would that mean that he was a crook, unworthy of being a member of this Chamber, and disqualified from managing the business that he had to do? Yet that is the kind of reasoning that the honourable gentleman employs to prove what he calls bootlegging on those ships. Everybody knows that if whisky is to be had, it is impossible to prevent sailors from getting some of it.

Now, what is the duty of the managers of the Canadian Government Merchant Marine in regard to illegal traffic in liquor? To seek as far as they can to overcome it, to put it down, to stop it. The honourable gentleman himself gave a clear explanation to-night of the efforts made by those managers to put

down the carrying of liquor on ships. When Edgecombe, the second officer of the Canadian Farmer, got five cases of whisky on the ship, or attempted to get it on, he was stopped from doing so by the managers of the Merchant Marine, although, notwithstanding what the honourable gentleman may say by way of correction, it was at that time legal in the province of British Columbia for masters and officers of vessels to equip themselves with liquor as ship's stores. That permission was allowed under the regular license plan in the province of British Columbia.

There are three clear cases in the evidence, and many other cases, where Boyd is asked, "Was this reported to you?" And he answered, "No." He was asked if he knew bootlegging was going on, and he said no. He made such answers repeatedly. If he felt that everything was going to ruin because of bootlegging, why was he not awake enough to see that those things did not happen? I suppose, if it did exist, he was passing it all by in the same reckless, inefficient way as that in which he managed the ship among the reefs and shoals on the Pacific coast.

Jones, the chief steward, is found with some bottles of whisky in his cabin at Ocean Falls, and he is fined; Sargeant, a boatswain, is found with whiskey; Fraser, a common sailor, is found with whisky; and when the ship comes back to Vancouver they are all dismissed. Does not that show that the managers of the Merchant Marine are attempting to put down the very thing that the honourable gentleman charges? Is that not perfectly clear?

Then the honourable gentleman digs up the case of Mr. Amburn. He had been a gangplank watchman, and he gives very furious stories of bootlegging. I am not going to weary the House with a description of what this fellow does, but I will give one example. He gives evidence that in one case some 50 cases went into one of the cabins on the ship. Honourable gentlemen, on a little ship like that, if half that number of cases went into the cabin the owner of it could not climb into the window. Honourable gentlemen will see how absolutely improbable and untruthful such a witness is, yet he is the star witness for the prosecution. It is absolutely futile to chase these shadows through all the misty twilight into which we have been drawn in this matter; but that is a sample of the evidence as you read it all along, hour by hour.

Remember that Amburn is in Boyd's position; he is dismissed; and of course he finds all kinds of things wrong with the management of the Merchant Marine, just as Boyd finds everything wrong. The fellow who is fired is the fellow who finds that everything is wrong, and Amburn was in that situation. Of course, grievances always bring complaints, and that is what happens in this situation.

From time to time Boyd has complained of all kinds of treatment, and his complaints have not been listened to. He discussed this situation with Captain Tedford, and he was told from time to time that he must keep his crew in shape, and must keep abuses from prevailing on his ship. That is his business as master of the ship. If he failed to do that, surely it is not the fault of the management; it is rather an evidence of the goodness of their hearts, as it is through the goodness of his heart that the honourable member for New Westminster hears the sad complaints of Captain Boyd. It was through the goodness of heart of the Merchant Marine that they kept Boyd, although he was always giving them trouble on account of the way he was managing his vessel and his crew.

So much as to the circumstances that surround Boyd's dismissal: the failure of all the evidence that has been offered to fit in with the theory which was first built up, and which is put forth on the whole case; the trivial and inffective evidence offered in regard to bootlegging. It is all innuendo, implying that if such things go on below, much more serious things go on above. On that principle, if a common beggar in the country is a common thief, then the king must be the arch-thief of all the kingdom. You cannot work out anything on that basis, which leads to anything except a series of hopeless fallacies.

The third charge brought up in connection with this matter relates to the purchasing agent for the railway on Vancouver Island. At this hour I am not going to weary the House with a full description of Mr. Labrie. He got into difficulties once or twice with Lewis, who was the engineer on the Island. They did not get along very well, and Lewis was always finding fault with Labrie, and Labrie was falling out with Lewis. There comes a time when Labrie, as purchasing agent, seeks to get a supply of oil for the ship. He is subjected to an investigation made by Watson, who was appointed by the management, and who proved to be as big a fool as Boyd, Watson proceeds to find that Labrie is wrong in buying oil for the vessels at, we will say, $1.90, when he could have got it from some contractor at $1.80 a gallon, or whatever was the basis of measurement. On the investigation with Page and Temple, it was shown that Labrie did not make the final contracts at all. He reported the general

situation to Montreal, and the chief purchasing agent, Mr. Vaughan, at Montreal, did the buying. Why did Mr. Vaughan give $1.90 instead of $1.80? Because he was getting the oil from the Imperial Oil Company, who were very large shippers on the railway, and his reasoning was this—"We will give the contract, even if it is 10 cents dearer than the other fellows would sell it at, but we are going to have so much more business from the Imperial Oil Company that we will be far ahead in the long run." Yet Labrie is charged with some kind of grave error because he was said to let the contract go out for, say, 10 cents more than ought to have been paid on some other occasion. And Labrie personally never made any contract at all.

The honourable gentleman referred to a file of papers which he had in connection with this investigation, and he went on to indicate that there was another situation arising on the Island where there was a logging right-of-way that had to be cleared, and I think it cost the railway, in logging and freight, some $58,000, when Labrie, if he had been the right kind of agent, if he had not been a grafter—because this is the innuendo—would have been able to get the logs out without cost to the railway. The facts are these; he tried to have a contractor get the logs away. Some delay occurred: He got into communication with his chiefs, who proposed that he had better get the thing out of the road the best way he could. He let the contract to somebody else, and that party failed, and the railway got $3,000 or $4,000 from this somebody else, and had to take away the logs, and had to suffer a loss, and the man who took the first contract came in at the heel of the hunt and said, "I am glad I did not take the contract, because I would have lost instead of the railroad." Labrie was charged with grafting, and all that, when he was efficiently carrying out the orders of his superiors; but he has to be the goat, and suffer from these nonsensical charges. There are other charges against him, quite as nonsensical, which it would be a waste of the time of the House to mention.

Then there are charges of stealing from the Vancouver docks. The honourable gentleman said that he called a man "Constable" in order to save his name. The man's name is McNichol, and he is a constable on the Vancouver docks. He need not be ashamed of his name. He was charged with taking away various articles including a lot of lumber and shingles from the docks, and building his house with what he stole off the dock. The officials got him down to their office and charged them with this offence, and he asked them to get into his automobile and go down to his house and he would show them all about it. He had had trouble with one of his neighbours, whose wife said she had seen a great deal of liquor in his yard, but when they got there there was none. It was just a case of asking those various witnesses to keep on telling untrue stories, and keeping them long enough at their stories so that they would hang themselves. It reminds me of an action I once had here—the case of a man who attempted to defraud a bank, and who had transferred his property to his sister. The sister went into the box, and I examined her as to the way she made money, and she told all about how much money they made, although they had only been in the country three or four years, having come from central Europe. She told of having money in pails and jars and tin cans—which meant that she lied so hard that the judge did not believe a word she said. That is just the situation of that cose of stealing from the wharf. The fact is that some people who did fixing for the Merchant Marine had some refuse lumber and various kinds of things. They gave their evidence, saying they could do nothing with this waste lumber, and did not want it, and told McNichol to take it away. Others who were suspicious and envious of him watched him taking away his own property, and they accused him of stealing this from the wharf. How absolutely inconsequent and how absolutely ineffective and how petty it is, just as the Wreck Commissioner said about Boyd's own charges.

Now I have given a rough outline of these charges, and if any honourable gentlemen desire to have further or more explicit information in connection with them they will find it in this very voluminous evidence.

I just want to refer to one or two things more. The Timber Industries Council of British Columbia, Mr. E. W. Hamber, president, and Mr. William McNeill, managing director, have passed the following resolution:

Whereas the Timber Industries Council of British Columbia, representing at least 25 per cent of the business interests in the province, view with regret any attempt to bring the Canadian Government Merchant Marine and the Canadian National Railways into the sphere of politics, and

Whereas those corporations have been of great value to Western Canada in the development of new trade routes, which promise to become permanent, and

Whereas the western departments of the Canadian Government Merchant Marine and the Canadian National Railway are, in the opinion of the Timber Industries Council of British Columbia, honestly and efficiently managed and are capable of handling any situation which may arise or develop for the benefit of business in British Columbia, and

Whereas we consider that the general management is capable of efficiently and promptly handling any situation which may arise in the conduct of these organizations, and

Whereas the necessity of continuing the services of the Canadian Government Merchant Marine and extending them on the Pacific Coast is urgent and vital to the trade of the Pacific;

Therefore be it resolved that we may pledge our hearty support towards any movement which will keep both of these organizations free from political interference, and that a copy of this resolution be wired to the Minister of Railways, to Senators Taylor and Bennett and that copies are supplied to the press.

Following that is what appears to be an open letter. I did not invite it; it came to me unsought, unasked, and unexpected. It is signed under a heading with the names of about forty lumber firms, known as the British Columbia Lumber and Shingle Manufacturers, Limited, and is addressed to the Hon. Senator Taylor. It goes on to describe to him their feeling, as I take from this:

And I am to state that the general feeling of the lumber industry was that the general management of these services—

That is, the services on the Pacific coast of the Canadian Merchant Marine and the National Railways—

—was much more capable of supervising the various departments of these services than either the Senate of Canada or the House of Commons of Canada, and we also credit them with being on the alert for rooting out any disadvantage which the service would be under by inefficient or incapable management of the departments.

In view of the unwarranted aspersion cast upon the lumbering industry of this province, a copy of this letter is being forwarded to the Right Honourable the Premier and to the Honourable the Minister of Railways.

Honourable gentlemen, I do not intend to follow any further the various gyrations and sinuosities of the charges which the honourable gentlemen asking for an investigation have offered. I desire to call your clear attention again to the situation—that the facts as presented do not warrant the charges; that the inferences that are offered are wrongly drawn in nearly every particular; that the conclusions of any reasonable man who examines the situation in an unprejudiced way is that the contention is altogether wrong. If the Senate of Canada has nothing more to do than to sit on investigations of this sort, the sooner it succumbs to the demands that are made from time to time in various press notices throughout the country that it should be abolished, or the sooner it abolishes itself, the better.

I desire in closing to refer to reference recently appearing in the Journal newspaper of the city of Ottawa, which I think is reasonable and apropos of this kind of situation. Says this editorial of the 2nd of June, 1924:

Now, let us hope that our members of Parliament, one and all, are going to fall in with this fine condition—

The condition of keeping hands off and allowing the National System a chance to live and operate, and of not finding unnecessary, useless, and idle fault, just as public men should refrain from finding useless and idle fault with the management of the Canadian Pacific Railway, for example, or with any large industry in the country, and leave their internal affairs to be managed by the concern itself, without interference by people who know nothing at all, or practically nothing, about it.

Now let us hope—

Says this editorial—

—that our members of Parliament, one and all, are going to fall in with this fine condition, are going to hold back from interference which does not seem absolutely forced upon them—are going, on the contrary, to be anxious to strain every point to co-operate warmly in the march towards success in the gigantic national experiment which is under way.

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

Hon. Mr. DANDURAND: I suggest that my honourable friend will not resume the debate at the next sitting, because I feel that, as the Railway Committee has not met this evening, we should devote most of to-morrow to that Committee.

Hon. Mr. BENNETT: As the mover of the resolution, I must ask the honourable gentleman to give us ordinary fair play. The Railway Committee meet in the morning. Let this debate proceed in the afternoon. There are very serious matters to investigate. Let the will of the House decide whether there is to be an investigation or not.

Hon. Mr. DANDURAND: I do not believe that this is the proper time to discuss the question whether this motion should be voted on or withdrawn. We may discuss that later.

Hon. Mr. BENNETT: It will not be withdrawn, the honourable gentleman need not hug that delusion. There is a good deal more to be said.

Hon. Mr. DANDURAND: I am not very much interested except as to the carrying on of the work of the Senate. My honourable friend must not forget that we have very important legislation which reached this House before my honourable friend's motion, and which under our rules could and should be dealt with in Committee of the Whole. For the purpose of obtaining a better understanding of the propositions, we have sent those Bills to the Railway Committee; but I take for granted that they are part of the important business of this Chamber, and I therefore suggest that we reserve most of to-morrow—

morning, afternoon and evening—to finishing the work of the Railway Committee, in order that it may report to the House. There are twenty-six branch lines. It is late in the session, and people in some districts are clamoring for the beginning of the work, especially in the Western Provinces. It seems to me we ought to hasten that important constructnve work.

Hon. Mr. ROBERTSON: My honourable friend, I assume, does not expect that any of the Bills before the Railway Committee which have not yet been reported to this House can be dealt with by the House to-morrow. The Committee cannot make any report upon which the House could act before the following day, at the earliest.

Hon. Mr. DANDURAND: But I belive that, with the work advanced as it is in the Railway Committee, if we could devote a full day to it to-morrow, we might be able to report on the following day. As a matter of fact, we might report by to-morrow evening at least twenty of the twenty-six Bills.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. DANDURAND: That is why I thought we ought to reserve tomorrow. I would suggest that my honourable friend (Hon. Mr. Tanner) have the debate adjourned until Thursday.

Hon. Mr. TANNER: My only desire is to expedite the work of the House. I do not intend to take up much time.

Hon. Mr. DANDURAND: But my honourable friend will be followed by some other honourable member. The honourable gentleman from Simcoe (Hon. Mr. Bennett) speaks of pressing his motion. I do not believe he intends keeping the Senate in session during the whole summer, or a good part of the summer, expressly for the purpose of conducting a third or fourth investigation into matters that have taken place on the Pacific Coast. At this late hour I leave him to ponder over the question.

Hon. Mr. BENNETT: The honourable gentleman must remember that this motion would have either passed or failed in the House long ago had it not been for the postponements which the honourable gentleman has asked from day to day. He must remember, too, that there are two or three other clauses besides that referring to the Western matters, and the witnesses in regard to these other clauses are in the city of Montreal and a few points in Ontario, and can be brought here next week quite easily.

Hon. Mr. DANDURAND: My honourable friend ought to keep closer to facts. He speaks of witnesses being in Montreal, within easy reach, but I think he is aware that witnesses are in the city of Ottawa and are being examined by a Committee on similar matters in the House of Commons.

Hon. Mr. BENNETT: Not the witnesses that I require.

Hon. Mr. TANNER: I suggest that we postpone the debate till Thursday.

The motion for the adjoournment of the debate was agreed to.

DIVORCE BILLS

SECOND READINGS

Bill Y5, an Act for the relief of Elizabeth Atkinson.—Hon. Mr. Haydon.

Bill Z5, an Act for the relief of Gerald Arthur Johnson.—Hon. W. B. Ross.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 25, 1924.

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

Prayers and routine proceedings.

UNITED CHURCH OF CANADA BILL

On the motion for concurrence in the tenth report of the Standing Committee on Standing Orders:

Hon. Mr. LAVERGNE: I am opposed to the adoption of this report, so far as Church Union is concerned, and I would like to have it deferred to another day, say Monday next, in order to give me time to speak on the matter.

Hon. Mr. McMEANS: Is the honourable gentleman speaking as a Presbyterian?

Hon. Mr. LAVERGNE: My objection is that notice has not been given in every district in the province of Quebec.

Hon. Mr. TESSIER: The House of Commons decided that the notice was sufficient, and when the matter came before our Committee, it was agreed that sufficient notice had been given, and that nobody would suffer by reason of any lack of notice. My honourable friend wanted his dissent to be noted. Now it will be noted in Hansard, and I think he ought to be satisfied, and that the motion ought to be passed.

The motion was agreed to.

PRIVATE BILLS

FIRST AND SECOND READING

Bill A6, an Act respecting a certain Patent of the Marconi Wireless Telegraph Company of Canada, Limited.

FIRST READINGS

Bill B6, an Act to Incorporate L'Institut St. Gabriel au Canada.—Hon. Mr. Beaubien.

Bill C6, an Act respecting the Montreal Central Terminal Company.—Hon. Mr. Béique.

SECOND READING

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

Some Hon. SENATORS: Explain.

Hon. Mr. BEAUBIEN: It is to give incorporation to an Order that exists in the province of Quebec for the purpose of dispensing charity. We have a great many of these Orders in the province.

Hon. Mr. McMEANS: What powers has it?

Hon. Mr. BEAUBIEN: The standard powers.

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

PARLIAMENT HILL

CONDITION OF THE GROUNDS

On the Orders of the Day:

Hon. G. G. FOSTER: Honourable gentlemen, I desire to call the attention of the honourable the leader of this House, and through him of the Government, to a matter which I consider to be of great national importance.

When, in the days gone by, the Parliament of Canada consecrated a certain portion of what is known as Parliament Hill, and dedicated it to the memory of great Canadian citizens, it carried to the people of this country the obligation of maintaining in a proper manner, for all time, this consecrated spot. For many years this obligation was discharged, but for the past year or two there has been a manifest neglect on the part of the Government, to which I desire to call the attention of my honourable friend and his colleagues.

Among the names of the men who deserve most from the people of this country is, I think, by common concession, the name of Sir John Macdonald; and, honourable gentlemen, the monument which stands to his name and credit is in a condition that is a disgrace to Parliament—covered with lime, no attempt to clean it, the stone uncared for, grass and weeds in the paths and on the ground surrounding it—a condition which I say deserves to be recognized by us and remedied by the Government at the first possible moment.

Yesterday, when my attention was called to this matter, I thought perhaps someone might have neglected this particular spot with some ulterior motive in mind; but when I went behind the Parliament buildings, the first monument I came to was that of D'Arcy McGee, that great Irish patriot who gave his life for the advantage and the advancement of Canada, and what did I find? His monument stands there in a field of grass and weeds, a disgrace to the Parliament of this country.

I went on to the next monument, that of George Brown, the great exponent of Liberal doctrines in this country, and I found it standing in a field of grass and weeds. That is a reflection upon the party for which he fought as well as the country which he served.

The monument to Alexander Mackenzie, the leader of the Liberal party in Canada for many years, stands there—no attempt to beautify or even decently to care for it. As I looked at that monument, and recalled the faces of the men in this Chamber who belong to the party to which he belonged, I said to myself: "If Alexander Mackenzie could speak to me, he would remind me that his monument is in that condition only because the only Liberal party to-day is in the Senate of Canada."

I went to the monument of Cartier. There some French Canadian had planted two little beds, one on each side; but the whole is surrounded by weeds, worse than the others—a disgrace to Parliament.

I am not calling attention to this matter with any other motive than I disclose. I say that any man in this House who looks out in front of the Parliament buildings and sees the uncut grass which has had no water or care, who sees weeds growing up where there used to be a green carpet of grass carefully attended to, will agree that it all bears evidence of the neglect and indifference to which I refer. It is the duty of this House and of my honourable friend to call the attention of the members of his Government to these matters, in order to have proper care taken of the property that has been put into their hands for care, and that the dignity and the rights of the people of Canada are maintained.

I understand that somebody may say, "We have had a fire," or that somebody else might say, "We have contractors on the grounds." But we have no contractors in any of the places I have mentioned, and there is a condition existing in front of this building to-day that allows more grass to grow on it

than some farmers have in their meadows. I do hope that my honourable friend, with the Minister who has it in charge, will see that the wrong that exists to-day is remedied, and that this property is properly taken care of, as it has not been for the last two years.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I concur in what my honourable friend has said, and I would like to add a suggestion. We have in front of this building a beautiful sward when it is kept in order. This is the national capital, and my thought, ever since I have been a member of this House, has been that it was a great pity some use was not made of the grounds, rather than just to grow grass. I suggest that if any person has the ambition to beautify these grounds, it should be done by planting a herbaceous border, at least 100 feet wide, on each side of the walk approaching this building. I remember seeing such a border in England, which I shall never forget. If we had such a border, made up of perennial plants and flowers which grow in such profusion throughout Canada, it would prove to be a great attraction, and would be a constant source not only of interest but of education to the people. All our public places seem to be devoted to foliage plants, geraniums, etc. We certainly employ enough people around here to keep the place in order. It would not be any expense at all to grow such a border as I suggest along the pathway, and it would greatly add to the beauty of the capital of Canada.

Hon. Mr. DANDURAND: Honourable gentlemen, if I had the advantage of the freedom I enjoyed some years ago I would perhaps have been able to observe what my honourable friend from Brome (Hon. G. G. Foster) has noticed. There was a time when I could take an occasional walk around the Parliament buildings, but my leisure moments have been so few during the last two or three Sessions that I have not had that pleasure, which I used to have.

I will draw the attention of the Minister of Public Works, who is, I think, the guardian of the grounds and the buildings, to the very apt remarks made by the honourable gentleman; and he will have occasion also to read the suggestions that have fallen from the lips of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton).

JUVENILE DELINQUENTS BILL

FIRST READING

Bill 27, an Act to amend the Juvenile Delinquents Act, 1908.—Hon. Mr. Dandurand.

DIVORCE BILLS

THIRD READINGS

Bill Y5, an Act for the relief of Elizabeth Atkinson.—Hon. Mr. Haydon.

Bill Z5, an Act for the relief of Gerald Arthur Johnston.—Hon. W. B. Ross.

LOAN COMPANIES BILL

SECOND READING

Bill Y4, an Act to amend The Loan Companies Act of 1914.—Hon. Mr. Dandurand.

On motion of Hon. Mr. McMeans, the Bill was referred to the Committee on Banking and Commerce.

JUDGES BILL

CONSIDERED IN COMMITTEE—THIRD READING

On motion of Hon. Mr. Dandurand, the House went into Committee on Bill 65, an Act to amend the Judges Act.

Hon. Mr. Blain in the Chair.

The Bill was reported, read the third time, and passed.

PRISONS AND REFORMATORIES BILL

CONSIDERED IN COMMITTEE—THIRD READING

On motion of Hon. Mr. Dandurand, the House went into Committee on Bill 120, an Act to amend the Prisons and Reformatories Act.

Hon. Mr. Pardee in the Chair.

The Bill was reported, read the third time, and passed.

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

THE SENATE

Thursday, June 26, 1924.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS—BRANCH LINE BILLS

REPRINTING OF BILLS—FINANCIAL STATEMENTS

Hon. Mr. REID: I notice that among the Bills reported by the Committee on Railways there are several in which amendments have been made by the Committee. I would ask if

the amended Bills will be reprinted before they are taken up again, so that we may see in exactly what form they will be.

Hon. Mr. DANDURAND: My honourable friend will remember that all the Bills contain an amendment, which is a standard clause. Surely we shall not need to go to the expense of reprinting all these Bills.

Hon. Mr. REID: No; the Bill need not be reprinted where it contains only a general amendment. But there are some Bills, not many, in which there are other amendments besides the general one to which the honourable leader refers. These are the Bills that I think should be reprinted as amended. A great many honourable members of this House are not members of the Committee.

Hon. Mr. DANDURAND: The amendments have been read at the Table, and my honourable friend will find them in the Minutes to-morrow.

Hon. Mr. REID: What I mean is that they could be printed this evening, for the information of members who were not present at the meeting of the Committee. It has been the custom, I understand, to reprint a Bill in the form in which it comes from Committee. If it is not reprinted, honourable members may think that we are passing the Bill in the form in which it appears on our file.

Hon. Mr. DANDURAND: My honourable friend forgets that these are House of Commons Bills and must retain their present form until the Senate has amended them. There are only a few that have any important amendments, and we can always easily refer to the page of the Minutes at which a proposed amendment may be found.

Hon. Mr. REID: I understand that in half-a-dozen Bills several important changes were made.

Hon. Mr. DANDURAND: No; in two or three.

Hon. Mr. REID: Whatever the number is, the amendments were important, and I should think that other members of the Senate should have those proposed amendments before them. We should have before us a printed memorandum of any changes that are being made in the Bills, so that we may discuss them intelligently.

Hon. Sir JAMES LOUGHEED: I would say to my honourable friend that the Bills in question have not been reported to the House but have been held over in order that amendments might be moved in Committee.

There will be some amendments to apply to all of them. My honourable friend (Hon. Mr. Dandurand) does not contemplate our disposing of those Bills, does he, in the small House that we shall have to-morrow? Many of the honourable gentlemen from Montreal will be here with their little grip-sacks, waiting for 4.30, and they will scarcely be able to dispose of about $75,000,000 worth of public improvements by that time.

Hon. Mr. DANDURAND: I had not given consideration to what we should do to-morrow. Since my honourable friend asks the question, I may say that I thought quite a number, perhaps the majority, of those Bills would be found unobjectionable.

Hon. Sir JAMES LOUGHEED: It does not necessarily follow that there will be amendments to those Bills on which no division was expressed and which have passed the Committee unanimously, but there may be an amendment on the general principle to be applied in the expenditure of the money voted. For the purpose of intimating to my honourable friend the view which I entertain upon the subject, I am free to say that there should be some method whereby Parliament would be apprised from Session to Session of the application of the moneys which are being expended.

Hon. Mr. DANDURAND: I thought we had covered that point by an amendment suggested by my honourable friend.

Hon. Sir JAMES LOUGHEED: We have covered that, but the machinery must be set in motion by the Minister of Railways. Furthermore, I am of opinion—and I commend it to the consideration of honourable gentlemen present—that there should be some method worked out, and embodied in those Bills, which would require the Government, whether the present Government or any succeeding one, to place upon the Table of Parliament annually a statement showing what the National Railways of Canada are costing this Dominion. We are thoroughly familiar with the public debt and its fluctuations, and so on. It would be considered remissness for a public man in Canada not to be thoroughly familiar with it. This exceeds by more than 100 per cent our debt before the war. Why should not the same knowledge be expected regarding the capital and annual expenditures involved in the National Railways? We have fallen into a system of passing general legislation without having in the estimates of the Dominion an annual statement as to the guarantees or bonds which we are giving. In some years we have exceeded $100,000,000;

yet anyone could not learn by taking up the annual Estimates what are the obligations of this Dominion. Is it too much to ask the Government to devise some method by which the people of Canada may be, not only made acquainted, but kept acquainted, with the expenditure we have made upon those Railways and their annual cost, so far as deficits and expenditure are concerned? I know of no better safeguard to restrict reckless expenditure upon this vast system of railways than to inform the public from Session to Session as to what Canada's obligations are. In making this suggestion I am not hypercritical; I am not criticising the policy of the Railway, or anything of that kind; but I think it is information that every taxpayer in Canada should have. I suggest to my honourable friend that before he asks for the final disposition of those Bills, some plan should be devised to keep the public of Canada acquainted every year with the financial situation of the National Railways.

Hon. Mr. DANDURAND: I have no objection whatever to the suggestion of my honourable friend. I thought we had amended each Bill in that direction. However, as we are still dealing with some of those Bills, in Committee, we may be able ourselves to devise some further amendment which will provide that Parliament shall have annually a statement of the expenditure upon each branch. I suppose that is what my honourable friend has in mind.

Hon. Sir JAMES LOUGHEED: Yes; and I am alluding, not to the branches alone, but to the entire System. It seems to me much more essential that we should have the widest and most particular information as to what expenditure we have already made, what the Railway System is costing the people of Canada, what are the annual expenditures, the revenues and the deficits, and what may be required for the future.

Hon. Mr. BEIQUE: I am in sympathy with the honourable gentleman's suggestion, but am afraid it cannot be applied to these individual Bills.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: It would require a general Bill. It could not be given effect by amendments to these Bills. Each Bill provides only for the expenditure on a particular branch.

Hon. Sir JAMES LOUGHEED: We can add a general clause to a Bill dealing with a specific subject. In fact the clause need not be germane to the Bill. I have seen introduced into Bills legislation that was remote from the subjects upon which we were legislating.

Hon. Mr. DANDURAND: We may be able to take up that question in committee.

Hon. Mr. PARDEE: How much difference would there be between that and the annual report of the National Railways?

Hon. Sir JAMES LOUGHEED: I could not at the moment say, but it is a well-known fact that the Minister's annual report is of so elaborate a character that I doubt if five per cent of the people of this Dominion would have an intelligent idea, after reading it, as to what the situation really is. I would go further and would have provision made for a public Board of Audit of the Canadian National Railways. I defy any one to feel fully assured of the financial position of that system of railways after perusing, as analytically as he may, the statements which are issued from time to time. He could not come to a confident conclusion as to the real situation by reading these reports. I believe there should be a public Board of Audit to prepare from month to month a statement for the people of Canada as to what the real situation of these railways is, so that we may know what they are costing the people of Canada, what the debt is, what the deficit is, what the revenue is, and as to whether we are making any headway or are falling behind. I would commend to my honourable friend that consideration should be given to the protection of the people of Canada along these lines, for I say confidently that nothing could be done that would better ensure the success of the National System of Railways than the devising of the greatest and most elaborate information for the public so that every thoughtful man may be able to acquaint himself with its financial position.

Hon. Mr. DANDURAND: I think my honourable friend is not entirely happy in the use of the phrase "most elaborate," because the more elaborate the information is the more obscure it will be to the ordinary man.

Hon. Sir JAMES LOUGHEED: I do not mean complicated; I mean that it should be elaborate in detail, so that we would know where we stand.

Hon. Mr. DANDURAND: While my honourable friend was speaking I was reminded of the fact that we have now an Audit Board composed of two public accountants, together with the Auditor General and the Deputy Minister of Finance, and I

think it would be their duty to examine into this particular question.

Hon. Sir JAMES LOUGHEED: Have they authority?

Hon. Mr. DANDURAND: I think so, and it would be their duty to examine into the system of auditing and bookkeeping of the whole of the national finances.

Hon. Sir JAMES LOUGHEED: Have they instructions to do that?

Hon. Mr. DANDURAND: That is my impression, but I will inquire.

Hon. W. B. ROSS: But why could we not have a monthly statement, modelled somewhat on the bank statement that is published every month in the Canada Gazette —not necessarily as elaborate as that, but under four or five headings?

Hon. Mr. DANDURAND: There are figures given monthly.

Hon. W. B. ROSS: There are some.

Hon. Sir JAMES LOUGHEED: By the railway, not by the Government. You do not expect us to accept those, do you?

Hon. Mr. DANDURAND: That would not satisfy my honourable friend?

Hon. Sir JAMES LOUGHEED: No, I am bound to say it would not.

PRIVATE BILL

THIRD READING

Bill 60, an Act to incorporate The Life Underwriters Association of Canada.—Hon. Mr. Lynch-Staunton.

REPORT OF COMMITTEE

On motion for concurrence in the report of the Committee on Banking and Commerce on Bill 05, an Act to change the name of La Banque d'Hochelaga to "Banque Canadienne Nationale" (Hon. L. C. Webster):

Hon. Mr. McMEANS: This Bill should be laid over till to-morrow. While I have no personal objection, I think the name assumed by this corporation is one that is very misleading to the people at large. The use of the name "Canadian National Bank" would give the impression that it is the National Bank of Canada, and that the Government was behind it. That name if used among the public, especially in the West, where there is a large foreign population, might have very serious effect. I ask that the Bill be laid over until to-morrow, when some of the parties interested may have an opportunity of speaking on this phase of the Bill. I think the Government itself ought to appear. I do not see why any set of gentlemen should assume for their bank a name like "the Canadian National Bank." I think it is too much to ask. Surely there are enough names in the country without using a name by which the people would be deceived. We may have a repetition of the Home Bank trouble if anything should go wrong with the Bank, and people would come here to have their losses made up.

Hon. Mr. BRADBURY: I think that name was asked for a few years ago, and was refused to a bank of some kind in Quebec.

Right Hon. Sir GEORGE E. FOSTER: I think this matter is well worth a little consideration by the Government, if not by this House, before the Bill passes. What is the impression that people in foreign countries would get from a prospectus put before them purporting to come from and be backed by the Canadian National Bank? The impression would surely be that it is a Government institution, that it is a Canadian expression, in an economic and banking sense, as to the powers and resources that this country has. It is assuming too much, even in our own country. While it would not be so misleading here, because we know about what it does mean, I think it could be very seriously misunderstood outside, and it would put in the hands of that corporation a canvassing power abroad which I do not think they ought to have, and which might lead to consequences that would not be very good for Canada itself.

Hon. Mr. BEAUBIEN: I thought this matter had received a great deal of consideration in the Committee, and that there were a number of authorities to be submitted to the House. If so, I would like to hear then. My small experience of Europe tells me that no bank can expect to get very much capital there, whether it is called the National Bank of Canada or the Royal Bank of Canada. They may get a few thousands of dollars in deposits, but the time has long gone by when stock of a bank can be sold on its name in Europe. I do not anticipate any danger from that at all. I would like very much, for one, to listen to the authorities, for I understood that this name was justified by what had been done in the past. In this case you have two banks, La Banque Nationale and La Banque d'Hochelaga, that have joined together. "La Banque Nationale" is the name that belongs to that bank, and they want to attach to it some word descriptive of Canada.

Hon. Mr. McMEANS: No, "Banque Canadienne Nationale"—the National Bank of Canada.

Hon. Mr. BEAUBIEN: In French that would imply nothing but what it says.

Hon. Mr. McMEANS What would the English translation say?

Hon. Mr. BEAUBIEN: I do not know what it is.

Hon. Mr. McMEANS: It is "The Canadian National Bank."

Hon. Mr. BEAUBIEN: I would like, for one, to hear the authorities. If this name is misleading, "The Royal Bank" might be very misleading too.

Hon. Mr. McMEANS: It was.

Hon. W. B. ROSS: The term "Royal" cannot be used to-day.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend seems to have thought that what I referred to was the facility of this bank to obtain subscriptions to its stock. That is not the main thing which has to be taken into account with reference to the name. This bank becomes the bank of various business men, and prospectors, and projects, and in their prospectus they state that their bank is the National Bank of Canada: that is where the difficulty mainly arises. I think it gives preponderating and discriminating advantage to people in that respect. The title does not carry the same significance in its French form, with the adjective in it, but in the English translation it does carry the impression of being the Bank of Canada—a national bank. The report of the Committee stands for further consideration.

THIRD READING

Bill 18, an Act respecting a certain patent of the Fleischmann Company.—Hon. Mr. Bradbury.

WEMBLEY EXPOSITION

INQUIRY

Hon. Mr. McMEANS inquired of the Government:

1. If it is the intention of the Government to send any members of this Chamber over to the Wembley Exposition in London.
2. If so, whom, and if they are to be sent in a representative capacity.
3. If the Government will be responsible for any statements that may be made.
4. What the cost of same will be.

Hon. Mr. DANDURAND: Stand.

Hon. Mr. McMEANS: There are several honourable gentlemen very anxious respecting this inquiry. Could not the honourable leader of the Government give us an answer to-day? I know of gentlemen who are disposed to go over on this trip, and who do not like the idea of it being held over.

Hon. Mr. DANDURAND: I do not know what Department could answer this question, and as I have not had occasion to meet my colleagues for some days, I could not personally answer my honourable friend. I will make inquiries, and try to satisfy his curiosity.

Hon. Mr. McMEANS: I was going to say that a good deal of anxiety is abroad in the House here on account of the item being in the Estimates. The sum of $20,000 was voted for that purpose. I understand there are several anxious gentlemen on both sides of the House who will probably be asked to participate in this trip, and it would relieve a great deal of anxiety if my honourable friend would answer.

Hon. Mr. DANDURAND: My only information is a deep echo that came from the other Chamber.

TORONTO CUSTOMS HOUSE DEMOLITION

INQUIRY

Hon. Mr. PARDEE inquired of the Government:

1. On what date was the Customs House at Toronto ordered to be torn down? Who issued the order to demolish same?
2. What was the estimated value of the Customs House that was demolished in consequence of the issuance of that order?
3. Was any part of the examining warehouse at Toronto ordered to be torn down?
4. If so, who issued that order?
5. What did it cost to demolish these buildings (a) the Customs House and (b) the examining warehouse?
6. In consequence of the Customs House being torn down was it necessary to rent premises for customs purposes?
7. How many buildings were rented for customs purposes? Where are they situated? What rental is paid for these buildings? From whom are they rented? Are they suitable for customs purposes?
8. Has the Government ascertained what it has cost the country for rental consequent to the Customs House and other buildings being torn down? If so, what is the cost per year?
9. Was the Customs House building formerly at the corner of Yonge and Front streets overhauled at a comparatively recent date prior to its being demolished? At what cost?
10. What has it cost the Government for rentals since the Customs House was demolished—the total?
11. What portion of this amount would have been saved if the buildings—Customs House and Examining Warehouse—had not been demolished?

Hon. Mr. DANDURAND:

1, 3, 4, 5. The Government decided to erect a public building on Front Street between Yonge and Bay Streets. In order to proceed

with the erection of this building it was necessary to demolish the existing Customs House and a portion of the Examining Warehouse. Plans and specification were prepared, and in order to expedite matters tenders were invited by public advertisement for the demolition of the buildings above referred to and for the excavation of the new building and a contract was awarded to the P. Lyall and Sons Construction Co. O/C April 5, 1919, for $18,600.

2. The estimated value of the Customs House and portion of the Examining Warehouse at the time they were demolished, and allowing for depreciation, would be about $250,000.

6. Yes.

7. Two. Custom House—From April 1, 1919, to April 1, 1921, the 3rd, 4th, 6th, and 7th floors of Board of Trade Building, Corner Yonge and Front Streets, for $14,246.50 per annum from W. Claude Fox. From March 1st, 1921, to present time, 4 lower floors and basement of 54-56 Wellington street for $18,000 per annum, from Estate J. Henry Peters. Examining Warehouse—From March 15, 1919, to present time, 276 King Street, W., for $11,000 per annum, from Estate W. R. Brock. Customs Department does not regard the buildings as suitable.

8. Present rental per annum—Custom House, $18,000; Examining Warehouse, $11,000; total, $29,000.

9. Alterations to building, principally remodelling of ground floor, incuding fittings, and also repairs to roof, were made under contract in 1905, at a total cost of approximately $52,000.

10. Custom House—Board of Trade Bldg., $28,493; Custom House—Peters premises to May 31, 1924, $58,500; Examining Warehouse—Brock premises to May 15, 1924, $56,833.34; total $143,826.34.

11. The whole amount as in No. 10.

PROBLEMS OF MARITIME PROVINCES

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did the Premier of Nova Scotia in or about January of the current year, while in Ottawa, make representation to the Prime Minister of Canada in regard to certain problems which the Premier of Nova Scotia believed to be obstacles in the way of proper development and progress of the Maritime Provinces?

2. What matters did the Premier of Nova Scotia present as comprising such real problems?

3. (a) Were the representations in writing or verbal?

(b) If verbal what was the substance of them?

(c) If in writing will the Government lay copies on the table of the Senate?

4. Did the Premier of Nova Scotia ask for or suggest the appointment by the Dominion Government of a commission or board of enquiry to investigate the suggested problems?

5. Did the Prime Minister of Canada agree that it would be good public policy to appoint such a commission or board of inquiry?

6. (a) Has any action been taken in this regard by the Dominion Government?

(b) Is it the intention of the Dominion Government to take any action in regard thereto?

Hon. Mr. DANDURAND:

1. Representations were made concerning Maritime Provinces problems.

2. Interview related primarily to matters referred to in corespondence laid on table of Senate, May 20, 1924.

3. (a) Both. (b) and (c) Answered by the answers to No. 1 and No. 2 above.

4. No such request was formally preferred; it may have been informally discussed.

5. No.

6. (a) and (b) Answered by the answer to No. 4.

CANADIAN NATIONAL RAILWAYS ON VANCOUVER ISLAND

UNSATISFACTORY RETURN

On the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: I would like to call my honourable friend's attention to the return brought down on the 23rd instant, in answer to a question that was put on the Order Paper by myself. The question originated in the Committee on those branch railways, and in the discussion of a part of those the question was raised as to the cost and the returns upon a certain portion that is in the Island of Vancouver, particularly, I think. My honourable friend spoke a moment ago about a certain return not being very illuminating to him. This has exactly the same effect upon me—it does not illuminate worth a cent. What I asked for was the total receipts and expenditures of the Canadian National railways on Vancouver Island for each year of its operation, including 1923 and 1924, under the two heads of passengers and freight. The answer I got to that was that the accounting methods of the railways do not permit of these figures being readily obtained. So I think we have some need of a Board of Audit, or some other method of getting at information in large blocks. This is information which is asked with reference to a part of the road which is distinct from the Continental portion, and when one cannot get a figure at all upon the actual receipts and expenditures for a series of years, he can form no opinion or judgment upon it.

When it comes to the second question,—The mileage now under operation, and the points between which roads are operated—it is a

little better. I find that there is in operation under the Canadian National system, 73 miles from Victoria to Cowichan Bay, and that there is one motor car in each direction daily except Sunday. Then there are 15.3 miles and 1.7 miles, and the information in that connection is that there is no passenger service but that a freight service is provided when necessary.

I get the capital expenditure upon these roads, the total of which, on the roads that are running and the portion that is not running, amounts to about $7,250,000. On an expenditure of $7,250,000, the Canadian National railways cannot give us even an approximation of the amount of revenue they receive, nor the amount of expenditure required to run the roads. I think there is need of some revision or some method of getting at block facts which will be more satisfactory. Can my honourable friend help me out at all?

Hon. Mr. DANDURAND: I will transmit the remarks of my right honourable friend to the Minister of Railways, and will ask him if he cannot obtain some more minute data upon the operation of these two lines. We have had what might be called depressing reports of the returns on these two lines, from the officials of the railways in the Railway Committee; but we have no exact data. Perhaps the Canadian National railways can obtain from Vancouver some exact information as to the cost of operation of these lines and the returns therefrom.

Right Hon. Sir GEORGE E. FOSTER: I think it might be done.

EXCHEQUER COURT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 116, an Act to amend the Exchequer Court Act.

He said: Honourable gentlemen, the purpose of this Bill is to widen the jurisdiction of the Exchequer Court so as to enable it to deal with any matters which the Crown may, by agreement with any person, commit to its jurisdiction. The paragraph of 1916 is as follows:

> Every matter in which the Crown and any person interested therein have agreed that the Crown shall pay to such person an amount to be determined by the Exchequer Court.

This paragraph is repealed and replaced by the paragraph in the Bill:

> The amount to be paid whenever the Crown and any person have agreed in writing that the Crown or such person shall pay an amount of money to be determined by the Exchequer Court, or any question of law or fact as to which the Crown and any person have agreed in writing that any such question of law or fact shall be determined by the Exchequer Court.

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. Gordon in the Chair.

Sections 1 and 2, and the preamble and title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

CONSOLIDATED REVENUE AND AUDIT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 198, an Act to amend the Consolidated Revenue and Audit Act.

He said: Honourable gentlemen, Section 17 of the Audit Act provides in part as follows:

> The Deputy Minister of Finance shall—
> (a) countersign all Canada Debentures.

There is a doubt whether, under the section quoted, the Deputy Minister is not obliged to sign all bonds by hand. In the case of issues made in New York it has been necessary for the Deputy Minister personally to sign the bonds. The purpose of the amendment is to make it clear that the signature of the Deputy Minister may be printed from engraving on the bonds. As a matter of general practice, at least one of the signatures on a bond is printed. The province of Ontario and Saskatchewan recently enacted legislation effecting the same purpose as is being provided for by the present bill.

The amendment contains also a specific direction that the bonds must be countersigned by an officer of the Department of Finance, to be designated by the Governor in Council.

Following the provisions of the Dominion Notes Act, the Minister may direct that one or both of the authorized signatures may be printed from engraving, and if both are so printed it can only be done after the bonds are delivered to and are in the custody of the Department of Finance. The Department has printing presses used in the signing of notes, and these presses are capable of handling the bonds in the same way, saving much expense in this regard as compared with sign-

ing by hand. Full control by the Department of Finance is ensured. During the last three years individual bonds totalling 1,176,254 have been issued. Of these, 103,000 were issued in New York where the Deputy Minister was obliged to attend in person for the purpose of signing.

With this explanation, I move the second reading of the Bill.

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. Blain in the Chair.

Sections 1 and 2, and the preamble and title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

PRIVATE BILL

SECOND READING

Hon. Mr. BEIQUE moved the second reading of Bill C6, an Act respecting the Montreal Central Terminal Company.

Hon. Mr. DANDURAND: I have not read this Bill, but my impression is that it is an old acquaintance.

Hon. Mr. BEIQUE: It is.

Hon. Mr. BELCOURT: An acquaintance of thirty-four years.

Hon. Mr. DANDURAND: I have no objection to our allowing the second reading of the Bill, provided we retain our full independence in Committee on the principle of the Bill.

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

Hon. Mr. BEIQUE: Honourable gentlemen, I would ask that the rules be suspended, in order that the Bill may go to the Committee next week.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say whether or not there is any controversy being raised about the subject?

Hon. Mr. BEIQUE: It is quite possible there may be. But that can be taken up in Committee.

Hon. Mr. DANDURAND: I may say here and now that I would hesitate to accept the principle that the powers granted in a number of Statutes and revived by this Bill—if it is similar to the last one which we encountered in the Railway Committee a few years ago—should be handed over to a private corporation. If I am not mistaken, the authority granted includes the power to construct tunnels under the city of Montreal and under the St. Lawrence, and to build bridges over the St. Lawrence.

Hon. Sir JAMES LOUGHEED: Does it not go deeper that that?

Hon. Mr. DANDURAND: That is as far as I remember. I think there were to be two bridges over the St. Lawrence.

Hon. Mr. ROBERTSON: It does everything but fly.

Hon. Mr. DANDURAND: I mention this now so that my honourable friend and the parties who are behind this charter may know the first objection they will meet, as to granting such powers to a private corporation.

Hon. Mr. BEIQUE: I must say, myself, that when I took charge of the Bill I made it a condition that I might have an open mind. I have in the past supported the honourable leader of the Government in refusing to extend that charter. I have been told that it is in the hands of other parties. That may be so, or it may not. I am not wedded to the Bill, but I think that as we do with all other Bills, we should allow it to go to Committee.

Hon. Sir JAMES LOUGHEED: You could hardly expect to get it through under those conditions.

Hon. Mr. BEIQUE: Possibly; but, anyhow, we should treat it like all other Bills.

Hon. Mr. BELCOURT: Faint praise.

The motion for the suspension of the rules was agreed to.

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

THE SENATE

Friday, June 27, 1924.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill D6, an Act for the relief of Malcolm Middleton.—Hon. Mr. Pope.

Bill E6, an Act for the relief of Clara Louise Kinnear.—Hon. Mr. Haydon.

Bill F6, an Act for the relief of Allan Thomas Easson.—Hon. W. B. Ross.

Bill G6, an Act for the relief of Henry Irwin Claxton.—Hon. Mr. Green.

Bill H6, an Act for the relief of John Henry Smith.—Hon. Mr. Blain.

Bill I6, an Act for the relief of Bertha May Roy.—Hon. Mr. Blain.

Bill J6, an Act for the relief of Lunetta Elimina Hay.—Hon. Mr. Blain.

TRUST COMPANIES BILL

THIRD READING

Bill 173, an Act to amend the Trust Companies Act, 1914.—Hon. Mr. Dandurand.

LOAN COMPANIES BILL

THIRD READING

Bill 174, an Act to amend the Loan Companies Act, 1914.—Hon. Mr. Dandurand.

JUVENILE DELINQUENTS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 27, an Act to amend the Juvenile Delinquents Act, 1908.

He said: Honourable gentlemen, this Bill is to amend three or four clauses of the Act. I need not give the purport of the amendments, because we will have to examine them in Committee.

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, June 30, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill K6, an Act for the relief of Eva Laura Bell.—Hon. Mr. Haydon.

Bill L6, an Act for the relief of Peter Alexander Fawcett.—Hon. Mr. Haydon.

Bill M6, an Act for the relief of James Henry Cooke.—Hon. Mr. Haydon.

COMPANIES BILL

FIRST READING

Bill 118, an Act to amend the Companies Act.—Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen, with the leave of the House, I move the second reading of this Bill in order that it may be sent to the Committee on Banking and Commerce, which meets to-morrow.

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

DOMINION LANDS BILL (RIGHTS OF WAY ACROSS SCHOOL LANDS)

FIRST READING

Bill 187, an Act to amend the Dominion Lands Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS BILL (GUARANTEES)

FIRST READING

Bill 190, an Act to amend the Canadian National Railways Act.—Hon. Mr. Dandurand.

SUSPENSION OF RULES

MOTION

Hon. Mr. DANDURAND moved:

That from and inclusive of to-day and until the end of the session, Rules 23f, 24a, b, d, e, and h, 63, 119, 129 and 131 be suspended in so far as they relate to Public or Private Bills.

Hon. Sir JAMES LOUGHEED: Would it not be better to permit the motion to stand and to suspend the rules as may be desirable? We have followed that practice most satisfactorily for the last three or four Sessions.

Hon. Mr. DANDURAND: There are certain motions which, according to old practice, come in at the end of the Session. This one has reached my hands, as I think similar motions used to reach the hands of my honourable friend. The only advantage I see in the suspension of the rules is that the Senate will be able to control its action against the objection of one member. This, of course, means very little, because a majority of the House can always decide as to the procedure. But sometimes a nearly unanimous House would feel like protecting itself against a single voice.

Hon. Sir JAMES LOUGHEED: The safety in allowing this motion to lie on the Table is that it is a suspended sword, and if there is any obstruction to the business of the Government the leader of the Government can then move the adoption of the motion.

Hon. Mr. DANDURAND: Well, we will leave the notice on the Order Paper from day to day.

The motion stands.

DIVORCE BILLS

FIRST READINGS

Bill N6, an Act for the relief of Beatrice Ella Mastron.—Hon. W. B. Ross.

Bill O6, an Act for the relief of Herman Kleinsteurber.—Hon. Mr. Blain.

GRANDE FRESNIERE-RINFRET JUNCTION BRANCH LINE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 31, an Act respecting the Construction of a Canadian National Railway Line between Grande Fresniere and Rinfret Junction, in the Province of Quebec.

Hon. Mr. Pardee in the Chair.

Section 1 was agreed to.

On section 2—Company may issue securities, and Governor-in-Council may authorize guarantees thereof:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, when this Bill was under consideration in Committee, I had not the opportunity of directing attention to the desirability of amending clause 2 by presenting for your consideration the amendments that were moved in the Houseof Commons, not only to this Bill but to the other branch line Bills, upon the subject of submitting in the Estimates the guarantees which should be voted by Parliament from time to time. Last Session, when the Bill which embraced all the Railway Bills now before us was up for consideration, this matter was discussed at very great length. As I say, this amendment was proposed in the House of Commons this Session, but unfortunately it was not accepted by the Government and therefore was not carried. The amendment which I would propose is to add the following:

Provided that the amount so to be guaranteed shall first be included in the Estimates and voted by Parliament for that purpose.

It is not a new objection to say that we have departed from well-established precedent in this clause by providing for a guarantee extending over three years without Parliament having an oportunity to pronounce upon the expenditure to be made. We have departed from the long-established precedent, which I understand has been followed without exception until the present occasion, that the guarantees should appear in the Estimates of each year, and that Parliament should have the right, and should exercise the right of pronouncing upon them no matter whether they be for one year or two years or for a longer period. Parliament should have the right to vote annually in the Estimates a sufficient amount of money, represented by guarantees, to carry on the work of the undertaking in view until the following Session of Parliament. I need not emphasize the fact that it is most desirable, even upon a most casual consideration of the matter, that Parliament should control the supplies for the carrying out of any public work from year to year, and that no one Parliament should anticipate the responsibilities to be discharged by a subsequent Parliament. In this particular clause, and by this particular method of dealing with the expenditure involved, we have taken from Parliament the right to say annually what amount shall be guaranteed for the purpose of carrying out these undertakings.

Since the assumption by the Government of Canada of this railway system, there has been no occasion when Parliament has not exercised its authority over the expenditure made from year to year, whether by guarantee or by direct expenditure. The only exception to this practice, I am informed, and from my own research I believe it to be the fact, has been in the case of an agreement between the provincial Government and the Federal Government—such, for instance, as the educational subsidy which was voted to the provinces for technical education or for agricultural education, and the Federal grant for highways. In those cases, I understand, an agreement was entered into between the Federal Government and the respective provincial Governments which obviated the necessity of dealing in the Estimates with the amounts passed over to the respective provinces.

It may be said that to follow the parliamentary practice which has been observed for years would interfere with the programme of continuous work which the National Railways have in contemplation in connection with these branch lines; but the answer to that is that Parliament has the right to place in the Estimates a sufficient sum to carry out any part, or even the whole, of the work which may be in contemplation. That is to say, if this amendment goes through, Supplementary Estimates could be brought down before prorogation, making provision for one-third of the Estimates, or two-thirds, or the entire Estimates, if in the discretion of Parliament it were thought wise so to do. Consequently I think it cannot be urged as an insuperable objection that leaving the voting of this money within the authority of Parliament would in any way be a hindrance to the carrying out of the continuous programme which the National Railways had in view.

Hon. Mr. SCHAFFNER: This amendment is applicable to all these Railway Bills?

Hon. Sir JAMES LOUGHEED: This amendment would be applicable to all the Bills. I need only repeat honourable gentlemen, that it is a very undesirable thing to depart from so well-established a practice in the voting of public moneys by Parliament, by taking it out of the hands of Parliament and in that way depriving Parliament of the opportunity of expressing its views upon the expenditure which is about to be made. One of the greatest safeguards that we have as to the expenditure of public money lies in the fact that that expenditure is the subject of consideration annually by Parliament and is therefore protected from the abuse to which it might be liable if not so safeguarded.

Hon. Mr. DANDURAND: Honourable gentlemen, I believe that a distinction should be made at the outset between a certain class of Bills and another class. My honourable friend will not apply this principle to a Bill which contemplates the construction of a few miles of railway during the present year; for the power given to the Canadian National Railways is exhausted after the year 1924. Let me cite an instance. My honourable friend has moved his amendment with regard to a Bill which provides for the grading and completing of twelve miles, the money for which is all to be expended during 1924. It does not come under a two-year or three-year programme. I suppose that in the case of such a Bill, and of others which contemplate the building of a few miles during 1924, or perhaps even during 1925—for we are moving rapidly towards the end of the present building season—my honourable friend would not find it necessary to apply that principle. This is the remark I would make at the outset, because I can see no reason for loading these Bills with the proposed amendment, when it is clear that the amount involved is an amount which will be expended during the next twelve months.

Hon. Sir JAMES LOUGHEED: Would my honourable friend pardon me? I would say that in a case like the present the entire amount should be placed in the Estimates. Does my honourable friend see any insuperable objection to the Government introducing before prorogation a Supplementary Estimate, including all the expenditures which are to be made, according to the schedules of these Bills?

And, before my honourable friend proceeds, may I point out the desirability of the public being informed through the Estimates of what the annual expenditure of Canada is. I fancy that one of the best safeguards that we have in the annual Supply Bill is the fact that the information is there for the public to study, as to what government in Canada is costing the people, and as to the expenditures which are being made in every ramification of public life. In my judgment there should be no difficulty in preparing a Supplementary Estimate precisely in accordance with those schedules.

Hon. Mr. DANDURAND: I have been looking in vain for a reason why these sums should be carried into the Estimates and there added, in order to show us the total. It seems to me that when these branch lines came before us last year it did not take long for the entire public to be seized of the fact that there was involved in them a certain total expenditure of so many millions. I am under the impression that the present procedure brings more clearly to the minds of the public what is the projected expenditure on railway account. The expenditure is stated in detail in each Bill, and the total can easily be ascertained.

We are proceeding in this form because it is the form authorized by the Act which my honourable friend himself placed on the Statute Book regarding construction by the Canadian National Railways. The Canadian National System need not proceed as private companies used to do. It simply comes to Parliament for money and describes the lines that it intends to build. Information as to the proposed lines is given in a very comprehensive way in all these Bills, and we are informed of the sum that is asked for. We say that the Railways may exceed that sum to the extent of 15 per cent, but if the estimates that are prepared indicate a greater excess than the 15 per cent allowed, then the Canadian National shall not proceed.

This matter came up before the Committee. It was not very thoroughly threshed out, but the reasons were given why the three-year programme should be adhered to. I would like to state them again before this Committee, in the very terms used by the President:

> After having given proper weight to the factors above mentioned—

That is, the determining reasons for submitting this railway branch construction programme—

> After having given proper weight to the factors above mentioned, the programme which has already been submitted to you was prepared and, in addition, it was suggested that the programme should, if adopted, be spread over a period of three years, the authority remaining alive until August 31, 1927. The objective sought in extending the life of the

vote for three years was to provide that continuity of construction which is essential for economy and to enable the engineering and construction department of the railway, as well as contractors, to lay out their work in the most effective fashion. The practice is well recognized by private railways under whose administration sums, when voted by the shareholders, remain in the hands of the executive until the work is completed or authority rescinded. There would seem to exist an analogy between the shareholders of a private company in their relation to the executive, and the parliament of the Dominion of Canada in its relation to the Canadian National Railway system, which would justify such a policy if the experiences of private undertakings are of value.

Hon. Mr. BEIQUE: What is the honourable gentleman reading from?

Hon. Mr. DANDURAND: From the letter of the President, which I read on the 23rd of May, when presenting these Bills for second reading.

What is the whole scheme regarding the building of these branches? Each branch which it is sought to build or extend is described to Parliament, and the reasons for the building of it are given in a memorandum which was submitted at the second reading. These Bills were sent to the Railway Committee and after a close examination of the proposition, with the engineers by our side, the Railway Committee has reported in favour of a certain number of these propositions. Now, what will Parliament do? It will decree that a certain branch of railway running from a certain point to another point shall be built. We shall give our assent to the scheme that is proposed to us. The estimated cost is stated in a schedule in each case. We know that this cost cannot be exceeded by more than 15 per cent. Parliament cannot be deceived. When Parliament has expressed its willingness to have the work go on, we shall tell the Canadian National Railways to proceed with the construction of those various branch lines.

I would draw the attention of the Committee to the fact that to-morrow is the 1st of July and there are about two months left for the Canadian National Railways to start work and proceed with these various enterprises. There is considerable work to be done in the Western Provinces. I am told that labour is available now; that labour could have been had in May —could have been had perhaps in April; that the labour market would have been favourable for five months until the 1st of September. I am informed that when the crops are harvested the Railways will feel the pinch, and that quite a large proportion of the men who may be working on those railway branch lines will have to return to their farms for the harvesting season. There is a difficulty that we are meeting in this year 1924.

If the proposal made by my honourable friend is accepted, shall we not be in a similar position next year? My honourable friend says: "You should place in your Estimates a vote of one-third for this year, and a vote of one-third for next year." But when would that second third be voted? We should perhaps be again in the latter part of June, with the whole Management paralyzed, awaiting the sanction of Parliament. My honourable friend says, "Put the vote into the Estimates." That means the Supply Bill. We know that from time immemorial the Supply Bill has come down in the last days of the Session. So it seems to me that there is merit in the argument that when we give to the Railway Company a mandate to build a branch from one point to another, it is but logical to give them the means to carry out the will of Parliament.

My honourable friend has advanced only one reason why the amount should be included in the Estimates: namely, that all the amounts would be put there, and we should know what is the total liability of the people in the carrying on of the business of the country. On the other hand, there are those who say that the expenditure on our railways should be kept quite distinct, and we should get a yearly statement indicating the capital expenditure and the operating results. I cannot see what merit there is in my honourable friend's proposition. He says: "You might put into the Estimates two-thirds for this year, or put in the whole amount." But would not the result be the same? Parliament would have divested itself of its right of control by giving the Government, which means the Canadian National Railways, a sum with which to carry out two-thirds of the work or the whole of it.

I believe that my honourable friend should not insist upon his amendment at this stage. After having stated his views, and perhaps after hearing some other honourable members of this House discuss the proposition on its merits, he will not insist upon his amendment now, but will postpone it till the third reading, and perhaps will not present it then at all.

Hon. Sir JAMES LOUGHEED: I will accept my honourable friend's suggestion to postpone the amendment, in order to permit of the Bills going through the Committee, on the understanding that I have the right to move the amendment on the third reading.

The Hon. the CHAIRMAN: Does the honourable gentleman withdraw?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BEIQUE: As a notice.

Hon. Sir JAMES LOUGHEED As a notice. It will be moved on the third reading. And I would suggest to my honourable friend (Hon. Mr. Dandurand) that he should advise his Government not to pass the Estimates entirely before disposing of this. It stands as a notice of motion for the third reading.

Hon. Mr. DANDURAND: Before I leave this point I would like my honourable friend to think seriously over his proposition that the whole amount of the three-year system should appear in the Estimates.

Hon. Sir JAMES LOUGHEED: That is entirely discretionary with the Government.

Hon. Mr. DANDURAND: Yes, but my honourable friend should be ready to give us a potent reason why his system would be better than this one, because if we vote in the Estimates the whole amount, we are simply doing what these Bills seek to obtain—that the whole program should be adopted and the whole amount voted.

Hon. Sir JAMES LOUGHEED: But I submit it is an invasion of the practice of Parliament to embody expenditures in a Bill other than the annual Supply Bill, thus concealing from the public the expenditures that are being made by the Government, for which they are responsible, and depriving Parliament of the right to discuss the subject in its entirety when the Estimates are before the House. That is the ground that I take in moving this motion. I think my honourable friend will concede at once that there is no better safeguard for the protection of expenditure of public money than that all the expenditure should be included in the Estimates.

Hon. Mr. DANDURAND: I will give my honourable friend the reason why he should not move that.

Right Hon. Sir GEORGE E. FOSTER: If my honourable friend will allow me, I would ask if we are going to discuss this question now, on each Bill that comes up, and again on the third reading? If so, we will have three discussions all along the same track. I am prepared to give my honourable friend some very good reasons why we should adhere to the old custom, and to add my view as to the absolute lack of real hindrance or delay that will take place under the amendment proposed by my honourable friend. I think there has been a good deal of a mountain made out of a mole hill in this matter; but when shall we discuss it?

Hon. Mr. DANDURAND: We will discuss it on the third reading; but, if my honourable friend will allow me, I would draw his attention to a condition which is very special to the Senate, so that he may turn the matter over in his mind between now and the third reading. My point is that under this special procedure we have been able to control each one of these Bills, whereas we would have to accept or reject a Supply Bill as a whole.

Hon. Sir JAMES LOUGHEED: Well, we will have a dress parade discussion on the third reading.

Hon. Mr. McLENNAN: I would like to speak to that Bill and add a clause. Should I do it now, or at the third reading?

Hon. Mr. DANDURAND: Perhaps my honourable friend will give a notice.

Hon. Mr. McLENNAN: I will give notice that on the third reading of the Bill I will move that clause 8 be amended by adding after the word "reimbursed" the following:

And, after completion of the railway authorized by this Act, statements showing the annual amount of traffic, both freight and passenger, and the contribution of the said railway to main line traffic—

And then it goes on:

And all further information as the Minister may direct.

Hon. Mr. DANDURAND: I would ask my honourable friend if he would not deem it perhaps a better policy to amend the National Railway Company's Act, which would cover all the branches, and not limit his amendment to these branches. I am not committing myself to the amendment.

Hon. Mr. McLENNAN: I should be very glad indeed to do so if I felt sure of the support of the honourable gentleman.

Hon. Mr. DANDURAND: I will have to examine into the merits of the amendment.

Hon. Mr. McLENNAN: I think that is the best thing to do.

The Bill was reported.

PEEBLES BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 41, an Act respecting the Construction of a Canadian National Railway Line from Peebles southerly in the Province of Saskatchewan.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

GRAVELBOURG-NEIDPATH BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 42, an Act respecting the Construction of a Canadian National Railway Line extending the Gravelbourg Branch to Neidpath, in the Province of Saskatchewan.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

STE ROSE DU LAC-RORKETON BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 43, an Act respecting the Construction of a Canadian National Railway Line extending the Ste. Rose du Lac Branch to Rorketon in the Province of Manitoba.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

TURTLEFORD-HAFFORD BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 48, an Act respecting the Construction of a Canadian National Railway Line from Turtleford to near Hafford in the Province of Saskatchewan.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

PRINCE ALBERT-PADDOCKWOOD BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 51, an Act respecting the Construction of a Canadian National Railway Line from Prince Albert to near Paddockwood in the province of Saskatchewan.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

EYRE-ACADIA VALLEY BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 52, an Act respecting the Construction of a Canadian National Railway Line between Eyre, in the province of Saskatchewan, and Acadia Valley in the province of Alberta.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

ESTON-WHITE BEAR BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 53, an Act respecting the Construction of a Canadian National Railway Line between Eston and White Bear in the province of Saskatchewan.

Hon. Mr. Pardee in the chair.

The Bill was reported.

ST. PAUL BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 55, an Act respecting the Construction of a Canadian National Railway Line from St. Paul, in the province of Alberta, southeasterly 21 miles.

Hon. Mr. Pardee in the chair.

The Bill was reported.

ROSEDALE BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon Mr. Dandurand, the Senate went into Committee on Bill 61, 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. Pardee in the chair.

The Bill was reported.

ROUSSEAU-LAURENT BRANCH LINE BILL

CONCURRENCE IN REPORT OF COMMITTEE

Hon. Mr. BLAIN moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours, to whom was referred Bill 30, an Act respecting the Construction of a Canadian National Railway Line between Rousseau and Laurent, in the province of Quebec.

Hon. Mr. DANDURAND: Honourable gentlemen, I think it is but just that I should apprise the large constituency interested in

this railway's betterment of the reason why the Senate is suspending the work for another year. The report says:

The Standing Committee on Railways Telegraphs and Harbours, to whom was referred the Bill 30, intituled: "An Act respecting the Construction of a Canadian National Railway Line between Rousseau and Laurent, in the Province of Quebec," report that they have examined the said Bill and now beg leave to recommend that consideration of this Bill be deferred until the next session in order to permit of the Canadian National Railways giving consideration to a more complete plan to improve all the grades on the Quebec and Lake St. John Branch, or the possibility of electrification of the road by reason of the electric power now being developed in the district, and the extension of the line into the settled districts north of Ste. Félicie.

The motion was agreed to, and the report was concurred in.

COWICHAN BAY BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 34, an Act respecting the Construction of a Canadian National Railway Line to Cowichan Bay, on Vancouver Island.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

COTTONWOOD CREEK BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 35, an Act respecting the Construction of a Canadian National Railway Line to Cottonwood Creek on Vancouver Island.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

HANNA-WARDEN BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 44, an Act respecting the Construction of a Canadian National Railway Line between Hanna and Warden, in the Province of Alberta.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

LOVERNA BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 45, an Act respecting the construction of a Canadian National Railway Line from Loverna westerly in the Province of Alberta.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

LLOYDMINSTER BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 46, an Act respecting the construction of a Canadian National Railway Line from Lloydminster, in the Province of Saskatchewan northwesterly 45 miles.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

DUNBLANE-MAWER BRANCH LINE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 49, an Act respecting the contruction of a Canadian National Railway Line between Dunblane and Mawer or a point west thereof in the Province of Saskatchewan.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

KELVINGTON BRANCH LINE BILL

CONCURRENCE IN COMMITTEE AMENDMENT

Hon. Mr. BLAIN moved concurrence in the Report of the Standing Committee on Railways Telegraphs and Harbours to whom was referred Bill 50, an Act respecting the construction of a Canadian National Railway Line from near Kelvington, in the Province of Saskatchewan northerly 13 miles.

The motion was agreed to.

Hon. Mr. DANDURAND: This Bill, according to the report of the Committee, will be deferred until next Session, in order that a complete study may be made by the Canadian National Railways as to the route which will best meet the requirements of the district.

RADVILLE-BENGOUGH-RITCHIE BRANCH LINE BILL

CONSIDERATION OF COMMITTEE AMENDMENT POSTPONED

Hon. Mr. BLAIN moved concurrence in the amendments made by the Standing Committee on Railways, Telegraphs and Harbours to Bill 54, an Act respecting the contruction of a Canadian National Railway Line from or near Radville, Bengough or Ritchie, in the Province of Saskatchewan.

Hon. Mr. ROBERTSON: Honourable gentlemen, I would ask the honourable leader of the Government to agree to have this item on the Order Paper discharged and allowed to stand until to-morrow, for the reason that

when this Bill was in Committee I was responsible for an amendment made to the original proposal, and a point has arisen in my mind to-day which I deem it quite important to look into before this Bill is finally dealt with. I would ask, therefore, that it be allowed to stand until to-morrow in order that I may have time to investigate the point a little further.

Hon. Mr. DANDURAND: My honourable friend would like to examine further the amendment which it is now proposed to concur in?

Hon. Sir JAMES LOUGHEED: Yes; to reconsider and amend.

Hon. Mr. ROBERTSON: We are now dealing with the Committee's report, and I do not know but that I may ask the House to consider a further change in the Bill.

Hon. Mr. DANDURAND: I move that this Order be discharged and placed on the Orders of the Day for to-morrow.

It was ordered accordingly.

PINE FALLS BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 62, an Act respecting the Construction of a Canadian National Railway Line to Pine Falls, in the Province of Manitoba.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

LOCKEPORT BRANCH LINE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 63, an Act respecting the Construction of a Canadian National Railway Line between Lockeport Station and the Town of Lockeport, in the Province of Nova Scotia.

Hon. Mr. Pardee in the Chair.

The Bill was reported.

JUVENILE DELINQUENTS BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 27, an Act to amend the Juvenile Delinquents Act, 1908.—Hon. Mr. Dandurand.

Hon. Mr. Pardee in the Chair.

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.

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

THE SENATE

Tuesday, July 1, 1924.

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

Prayers and routine proceedings.

LAND TITLES BILL

FIRST READING

Bill 188, an Act to amend the Land Titles Act.—Hon. Mr. Dandurand.

THE WEMBLEY EXPOSITION

INQUIRY

Hon. Mr. McMEANS inquired:

1. If it is the intention of the Government to send any members of this Chamber over to the Wembley Exposition in London?
2. If so, whom, and if they are to be sent in a representative capacity?
3. If the Government will be responsible for any statements that may be made?
4. What the cost of same will be?

Hon. Mr. DANDURAND: The answer to the first question is no. The other three questions are answered by No. 1.

BONDED WAREHOUSES AT HALIFAX

INQUIRY FOR RETURN

On the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend if any progress has been made in getting the report from the Department of Customs that was ordered by the Senate about three months ago?

Hon. Mr. DANDURAND: I had the promise of the Deputy Minister last week that it would soon be forthcoming. If my honourable friend will kindly remind me from day to day, I will remind Mr. Farrow every day.

Right Hon. Sir GEORGE E. FOSTER: That is a process that may be very agreeable in some respects, but will it produce results? By this time I think the Government should have made up its mind whether or not it is disposed to give that information.

Hon. Mr. DANDURAND: I know of no impediment from Ministerial authorities. All that I have is the statement from the Deputy Minister that he is working at it diligently,

and I must accept that statement in its entirety.

Hon. Sir JAMES LOUGHEED: How long will he work in that fashion?

Hon. Mr. DANDURAND: I suggested to my right honourable friend that I could bring to him all the data gathered to date, but that possibly the tabulation would not be ready, because it could only be done when all the figures had been gathered together from all the ports of entry in Canada. To-morrow I will try to have some official of the Department bring me the documents up to this point, and I will see if they are in such a state as to serve my right honourable friend.

PRIVATE BILL

THIRD READING

Bill O5, an Act to change the name of La Banque d'Hochelaga to "Banque Canadienne Nationale."—Hon. L. C. Webster.

GRANDE FRESNIERE-RINFRET JUNCTION BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 31, an Act respecting the Construction of a Canadian National Railway Line between Grande Fresnière and Rinfret Junction, in the Province of Quebec, as amended.

Hon. Mr. McLENNAN: Honourable gentlemen, I would move that this Bill be not now read the third time, but:

That clause 8 be amended by adding after the word "reimbursed" the following: "and, after completion of the railway authorized by this Act, statements showing the annual amount of traffic, both freight and passenger, and the contribution of the said railway to main line traffic.

The body of this section of the Bill contains a provision that the Parliament of Canada shall be advised at the beginning of each Session of each year as to the expenditure on that railroad during the time of its construction. The purpose of this amendment is to obtain further information as to how the predictions of the responsible officials of the railway, upon whose representations Parliament voted the money for the building of each particular road, are borne out—whether those railways are earning the money and carrying the traffic and developing the country to the extent that we were assured they would? It seems to me that this is extremely valuable information to have. Certainly, in so far as the predictions of the railway officials are concerned, if they were verified by the results, the confidence of Parliament in similar representations which might be made at a later date would be increased, and such information would be a check upon the information given to Parliament from local sources, which might be loose or incomplete.

One was somewhat astonished the other day, when, in reply to a question of one of our colleagues, we were told that it was impossible to give information as to the traffic on a certain part of the Canadian National lines. If that is the case, I think that such a system should be changed. I believe it is the practice of every railroad which is not absolutely inferior to keep an account of the earnings and the outgo at every station on its line. I have information that the practice of making statements at intervals on each new branch, and on each part of the line, was, and probably still is, followed by the Canadian Pacific Railway. At all events, it has been the practice until very recently. The statements give the earnings, the freight that comes in, the freight that goes out, and the expenses of each branch, and then its contributions to the main line traffic. I think it would be well to have such statements, and I was pleased last night, when I gave notice of this motion, that apparently the honourable leader of the House felt that such information might well be given regarding all the branches of the National Railway—not only those contemplated by the Bills which we are about to pass, but all other branches as well. It would be a check, and it might be a help towards preventing mistakes similar to those which may have been made in the past.

Hon. Mr. DANDURAND: Can the honourable gentleman inform us whether data is still gathered by the Canadian Pacific Railway as to what each branch line brings in?

Hon. Mr. McLENNAN: If it is not currently done, it has been done at all events within the last two or three years. I made some inquiries, and I understand that it was done certainly during the régimes of Sir William Van Horne and Lord Shaughnessy; and I was informed that Lord Shaughnessy took special care in examining the figures to see how far the expectations with which they built a branch were verified by the results. Whether it is done now or not I cannot say.

I understand that "main line traffic" is the technical railway phrase referring to the division between what is earned on a branch of a few miles and the earnings on the long-haul over the main line.

Hon. Mr. BELCOURT: I am afraid that my honourable friend is giving us the shadow

for the substance. His proposed amendment provides that these statements shall be produced after completion of the railway.

Hon. Mr. DANDURAND: That is my honourable friend's only object.

Hon. Mr. BELCOURT: I know. But I am trying to point out that he has something a good deal better than that: he has the right every year to ask for a return which gives him the information he seeks by this proposed amendment. His amendment provides that the information shall be furnished only after completion of the railway.

Hon. Mr. BRADBURY: It means yearly.

Hon. Mr. BELCOURT: It says "after completion of the railway."

Hon. W. B. ROSS: When we asked for such information this year we were told they did not keep these figures.

Hon. Mr. BELCOURT: Of course, they keep information of that kind.

Hon. Mr. ROSS: No, they do not. We asked about the roads on Vancouver Island—what they took in and what they paid out, and we were told that they did not know—that the receipts and expenditures were mixed up with those of the main line.

Hon. Sir JAMES LOUGHEED: But they have nothing to do with the main line there.

Hon. Mr. BELCOURT: I cannot conceive that the Company does not keep track of what it has expended and received on each branch, because that is the principal factor in determining what treatment should be given to that branch in the future.

Hon. Mr. ROSS: They do not do it.

Hon. Mr. BELCOURT: It is done every year, I am sure.

Hon. Mr. ROSS: No, it is not.

Hon. Mr. BELCOURT: This proposed amendment would postpone the information until the work is completed. I say it is far better for any honourable member to exercise his right to ask how much has been spent on each branch.

Right Hon. Sir GEORGE E. FOSTER: But my honourable friend sees how difficult it is to get an answer. In the first place, you get an answer which is no answer; then it is referred back, and you never see it again. I think this was an excellent amendment to be passed.

Hon. Mr. DANDURAND: My honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) confuses the provision of section 8 as it stands, bearing upon the expenditure, with the proposal of my honourable friend from Cape Breton (Hon. Mr. McLennan), relating to the operation of the branch after it is completed. So the point of my honourable friend the senior member for Ottawa is not well taken.

I must express my regret at not having been able, since notice was given of this proposed amendment, to get into touch with the Canadian National Railway authorities to learn what objections might be raised against it. All I can say now is that the cost of carrying it out may be considerable. Of course, the amendment is limited to the twenty odd branches that are under review by the Senate.

The question arises as to the cost of the book-keeping. This means that the affairs of each branch must be kept separate, and then, after the through freight has left a particular branch and gone forward on a long haul, a proportion of the earnings on it must be allotted to that branch. I suppose this can be done.

It will be some time before a particular branch reaches normalcy. The return asked for by my honourable friend will not cover the first two or three years. It relates only to the operation of the branch line after it is completed. It will of course be interesting to see how trade develops; for it will go on increasing from year to year. The result of the first year may be altogether insufficient to enable one to judge of the real value of the branch.

I do not desire at this moment to oppose my honourable friend's amendment, because I have not had an opportunity of ascertaining what might be the objections of the railway officials. However, if the Senate is inclined to pass the proposed amendment, and if it is deemed to be feasible, I suppose it will be received with favour in the other Chamber.

Hon. Mr. ROBERTSON: Honourable gentlemen, I rise, not to oppose the amendment submitted by the honourable member, but for the purpose of saying a word or two in explanation of the manner in which the accounting of railways is done, as I have had some little experience in connection with station accounting.

Every railroad station, through the agent representing the company, sends every week a telegraphic report, under certain symbols, giving in detail under different headings the earnings of that particular station. Then the Auditor of Freight or Passenger Receipts, or the Auditor of Agencies usually, summarizes all those reports. In that way the sum-total of the earnings of the railway is ascertained. Each road has its own method of computation, to divide the revenues and apportion them to the different parts of the system.

Hon. Mr. PARDEE: That is, as to the different parts of the main line?

Hon. Mr. ROBERTSON: As to the handling of the whole traffic. While quite in sympathy with my honourable friend's purpose in introducing this motion, I do not quite see how it will bring accurately the information that he desires; and I will point out one or two reasons why. In the first place, you may have a branch fifteen miles long, built into a coal mine or a nickle mine or any large industry, and the revenue that that particular branch actually earns may be very small, yet the amount of revenue collected at the station on that branch where that mine or other industry exists may be very large. For example, let me cite the station of Drumheller in Alberta. Drumheller and Wayne are two stations within a distance of less than seven miles, and the revenues that accrued to the Canadian National Railways from those two stations a year or two ago—I do not know what the amount is now—exceeded $1,000,000 a month. You could not say that that particular branch of the line was earning that amount, because that business was distributed over thousands of miles of line all over the Prairie Provinces, in handling the coal which was the product of that community.

Furthermore, a number of these branch lines are built for the purpose of giving the farmers access to railway facilities by a much shorter haul than has been available to there heretofore. When a branch line is built to relieve such a situation, the traffic will probably increase to some extent, because production will increase; but a very substantial portion of the traffic that has been hauled, say 25 miles to the existing railroad, will be hauled say to the new branch line; therefore, from the standpoint of profit to the railway company, it is questionable whether there is an increase in profit at all. Wheat, for example, may be hauled to station A, whereas heretofore it has been hauled to station B, or vice versa. So I fear that the information that my honourable friend hopes to secure through this amendment will be very difficult to obtain with any accuracy. I am presenting these views for the honourable gentleman's consideration, rather than with a desire in any way to oppose his amendment, because I do not think it is very important whichever way it goes. I regard it as impracticable for the railway to supply the information in detail, or with any degree of accuracy, even though it is required by the Bill.

Hon. J. D. REID: Honourable gentlemen, I would not like to let this motion pass without explaining the vote that I shall have to give on it. I am opposed to the amendment, for two or three reasons. In the first place, several of the Bills now before us apply for extensions of fifteen, twenty, thirty, or forty miles to existing branches. Then, we have proposals to join up two lines, and so on. I do not see how it would be possible to keep an exact account of say the fifteen or twenty miles that we have added to a branch that already exists or that we are constructing to join two lines. Once the road is completed it becomes a part of the entire system. There is now an organization that keeps an account of the different systems; but to have the accounts subdivided and a separate account kept of every small piece of line that is to be constructed would take another army of accountants; and, as the honourable Senator from Welland (Hon. Mr. Robertson) has said, I do not think it would be practicable to keep an account of that kind and do it accurately.

Again, I am opposed to loading any more expense on the Canadian National Railways. To do the work proposed would certainly mean an increase of the staff. Therefore, while it would add to the expense of the Railways it would not accomplish what the honourable member (Hon. Mr. McLennan) has in view. Any amendment that would result in further information being given to the public would be of advantage, but I cannot see that the present amendment would. For that reason, I shall have to vote against the amendment. I konw that the honourable member's motives are all right, but I cannot see that this amendment would carry out his purpose.

Hon. W. B. ROSS: Honourable gentlemen, if we do not get this information, or something equivalent to it, we shall never know whether these branch roads are going to pay or not.

Hon. Mr. ROBERTSON: You will not, anyway.

Hon. Mr. ROSS: They may be losing money all the time or they may be making a large profit. One honourable Senator from the West has made the statement in Committee that none of these branch roads in the West have lost money, but that on the contrary they were profitable. We shall be voting for the construction of branch lines of railroad in that Western country for the next hundred years, because the time will come when the roads will have to parallel each other not more than ten miles apart as that country becomes settled. If we had information as to what these branch roads earned after we built them, it would guide us—or it would

guide those who will be in this House—with regard to the construction of further roads in the future. I do not believe for one moment that it is impossible or very onerous, when you have built a line, even where it is an extension of an existing branch, to require the station agent to keep books which will give information as to the freight and passengers that come in or go out by that branch road; and, with regard to through freight and passenger rates, he can make his distribution.

Hon. Mr. MURPHY: They have all that.

Hon. W. B. ROSS: Then what is the reason that we never get it when we ask for it? I look upon this amendment as of enormous value if we can get the information it asks for.

Hon. Mr. PARDEE: I would point out that the honourable gentlemen from Welland (Hon. Mr. Robertson) has just told us that each station agent does that now. He keeps account of the outgo and income of the particular piece of road covered by his station; therefore I would ask what benefit there would be by asking for "the contribution of the said line to main line traffic." Surely that is a matter for railway experts to figure out—as to whether so much shall or shall not go to main line traffic. So long as we get the information from each station agent as to the income and outgo of his particular portion, surely that is the main object.

Hon. W. B. ROSS: Then what is the reason that when we asked for that information with regard to roads on Vancouver Island we were told that the books did not give that?

Hon. Mr. DANDURAND: Perhaps the explanation is simple; it is that on the main part of that development there was no traffic at all.

Hon. Sir JAMES LOUGHEED: Yet you are asking to project it both ways.

Hon. Mr. McLENNAN: May I explain to the honourable Senator from Sarnia (Hon. Mr. Pardee) that my purpose in asking for information as to the contribution to main line traffic was to avoid the apparent injustice that is done to a short branch where the haul may be a trifling one, but where the road gains greatly from the long haul? The shipping point from which heavy traffic comes may be on a small branch ten or fifteen miles long.

Hon. Mr. PARDEE: But the honourable gentleman from Middleton argues that we are going to grant charters to roads for the next hundred years, and I take it that what the mover of this amendment wants to know is whether or not the particular branches to which we grant charters pay or do not pay. But that is shown by the actual earnings of the branches that we give the company the right to construct, and if we get that, is not the whole object served?

Hon. Mr. MURPHY: You cannot get that.

Hon. Mr. PARDEE: We do get it. The honourable gentleman from Welland tells us that that return is made by station agents.

Hon. Mr. MURPHY: But in the Railway Committee, when we asked for these things, we were told by Mr. Ruel that, on account of their system of bookkeeping, the figures could not be given. We could not get them for Vancouver Island either, where there is an agent.

Hon. Mr. ROBERTSON: I think it is only fair to clarify this matter from the railway's standpoint, and explain the answers to questions that have been asked. I never heard a question asked in this House as to the earnings of a particular station or any particular number of stations. If such a question were asked, I am satisfied that any railway in Canada could furnish the information very promptly. But questions have been asked as to the earnings of a particular part of a division, such as Vancouver Island. Now, the traffic on Vancouver Island is not very heavy, though a substantial part of the through traffic originates there and is ferried over to Vancouver, and perhaps goes hundreds or thousands of miles on the Canadian National System. I am satisfied the railway does not attempt to follow every car or every shipment of less than carload freight to find out how many cents of the earnings should be appropriated to Vancouver Island and how many to each of the other divisions of the road. They have their own method of apportioning in bulk the earnings of the line; but to give a definite and correct answer for example, as to the railway earnings of the lines on Vancouver Island would not furnish the information desired.

I think that the lack of harmony between the questions asked and the answers received is largely due to the fact that the questions have not been put in such a form as the railway could answer intelligently; but I am satisfied that if the earnings of any particular station from inward and outward freight and passengers were asked for, information could be given on those items at any time.

Hon. Mr. MURPHY: How could they arrive at the amount accruing from passengers arriving at a station, when the station-master takes no account of inward passengers?

Hon. Mr. ROBERTSON: The ticket sales show that.

Hon. Mr. McDONALD: How could the earnings of a branch be possibly arrived at? One reason why we have the Intercolonial going right into Montreal is that the road may pick up from branch lines cars of lumber and other material, and deliver it on the main line running to Montreal, where the receipts are figured up. A branch might produce a great deal of traffic for the main line, and yet the credit of it would go to the main road. It would be impossible for any but expert figuring to work out a calculation that would show how important a branch might be to a main line. The branch might be a wonderful producer of traffic, and yet not show any results.

Hon. Mr. CURRY: They might show how much was produced on that one branch.

Hon. Mr. LYNCH-STAUNTON: When a railway rents one of its branch lines to another railroad, how do they arrive at the rent to be asked if they do not know its value as an earner of revenue?

Hon. Mr. GORDON: It seems to me that the mover of this amendment should be satisfied with the statements obtained from the different stations, as the honourable member from Welland has suggested. He would then have all the information that would be necessary. The honourable member from Welland mentioned a road out West, I think the Drumheller line, where the earnings from a single station at one time showed at least $1,000,000 a month. Such a return as that from a short line would justify the existence of that entire road. Even though there was no business at all during a good deal of the time if earnings of $1,000,000 a month from one station could be shown for eight or nine months of the year, the total cost of the road would be justified.

The proposed amendment of Hon. Mr. McLennan was negatived.

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

PEEBLES BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 41, an Act respecting the construction of a Canadian National Railway Line from Peebles southerly in the Province of Saskatchewan, as amended.

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

GRAVELBOURG-NEIDPATH BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 42, an Act respecting the construction of a Canadian National Railway Line extending the Gravelbourg Branch to Neidpath, in the Province of Saskatchewan, as amended.

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

STE. ROSE DU LAC-RORKETON BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 43, an Act respecting the construction of a Canadian National Railway Line extending the Ste. Rose du Lac Branch to Rorketon in the Province of Manitoba, as amended.

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

PRINCE ALBERT-PADDOCKWOOD BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 51, an Act respecting the Construction of a Canadian National Railway Line from Prince Albert to near Paddockwood in the Province of Saskatchewan, as amended.

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

EYRE-ACADIA VALLEY BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 52, an Act respecting the Construction of a Canadian National Railway Line between Eyre, in the Province of Saskatchewan, and Acadia Valley in the Province of Alberta, as amended.

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

ESTON-WHITE BEAR BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 53, an Act respecting the

Construction of a Canadian National Railway Line between Eston and White Bear in the Province of Saskatchewan, as amended.

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

ST. PAUL BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 55, an Act respecting the Construction of a Canadian National Railway Line from St. Paul, in the Province of Alberta, southeasterly 21 miles, as amended.

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

COWICHAN BAY BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 34, an Act respecting the Construction of a Canadian National Railway Line to Cowichan Bay, on Vancouver Island, as amended.

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

COTTONWOOD CREEK BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 35, an Act respecting the Construction of a Canadian National Railway Line to Cottonwood Creek on Vancouver Island, as amended.

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

PINE FALLS BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 62, an Act respecting the Construction of a Canadian National Railway Line to Pine Falls, in the Province of Manitoba, as amended.

Hon. Mr. BRADBURY: Honourable gentlemen, I desire to say a few words before this Bill receives its third reading. This Bill was pretty thoroughly discussed before the Railway Committee of the Senate, and is a pretty fair sample of the programme brought down by the National Railways. When this programme was first submitted to the country, we were led to believe that it was the very best thought of the engineers of the Railway, but this, among other roads, had to run the gauntlet of the politicians. When this railroad was first laid down by the engineers of the Railway Company, it comprised something like 12 miles, running from a point on the Victoria Beach line of the old Canadian Northern over to what is known as Pine Falls. Before it reached the Committee of the other House, the Bill was changed to provide for a road to run for 44 miles in a northeasterly direction from a point at or near Selkirk. This is a very fair sample of what the influence of the politician or the speculator can do in regard to a line which is supposed to be laid down by the engineers of the National railways.

When the Bill was sent to the Committee of the Senate, considerable opposition developed. It was very soon realized that there was really no reason why 44 miles of railroad, practically paralleling the present lines of the C.P.R. and the National railways, should be built at the present time. At very few points would any settlers be more than 15 miles away from either of those lines. Years ago the Manitoba Government spent hundreds of thousands of dollars in draining part of the district through which the proposed line of 44 miles would have run. When doing that they built roads running from back toward Lake Winnipeg right into Beouséjour. All that district has been served by the C.P.R.; consequently, it was quite apparent to everyone that there was no reason why the programme laid down by the Committee of the other House should be adopted by the Senate.

In discussing the matter with the Canadian National officials, it was apparent to my mind that this was not their scheme at all, and that they did not want it. The consequence was that the line was cut down to some 17 or 19 miles, as proposed in the Bill now before the House.

I want in a few words to point out certain facts. It is stated by those who are promoting this railway that the building of a pulp-mill at St. Boniface or some other point on the Red River or at Pine Falls is contingent upon the building of this line. It is generally understood that the mill will be built at St. Boniface, and I am credibly informed that the land has already been secured for that purpose. I cannot imagine investors spending $6,000,000 or $7,000,000 in building a mill at any other point than one on the Red river, but I do think they have overlooked the most advantageous point on the Red river for such a mill, namely, the town of Selkirk. Selkirk is about 25 miles from Winnipeg, and every stick of timber that is floated down the Winnipeg river to Pine Falls, and every stick from Lake Winnipeg is tributary to the Red river by means of navigation.

Ninety per cent of the timber destined for that mill, will reach it by barge. Every honourable gentlemen knows that it is much cheaper to transport pulpwood or any heavy material like lumber in barges. So I think it is stretching a point to say that the building of the mill at any point on the Red river is contingent upon the building of the railway.

There are reasons why a line should be built, but they are not the reasons given by the promoters of the Bill. One reason why the line should be built is that we have the old St. George settlement around the Catholic mission just above Pine Falls. This settlement is composed largely of French Canadians who came there from Quebec thirty or forty years ago. These people have been without railway communication for all these years. It was hoped that the C.P.R. would build to Pine Falls, a distance of only 8 miles, but that was not done, and the settlement has been compelled to exist as best it could, and the people have had to get in and out as best they could, winter and summer.

Hon. Mr. DANDURAND: Is that a farming population?

Hon. Mr. BRADBURY: They are all farming, every one of them. They have small farms, and do not raise large crops. There is a settlement there now, I presume, of a couple of hundred people. They are pretty well mixed up with the half-breeds. At the same time, this is a settlement which ought not to be overlooked.

These considerations are largely what will influence me in the action which I intend to take upon this Bill. I had intended, at first blush, to oppose the building of this 17 miles of railway, because, as far as the mill is concerned, there is nothing to justify it. As to the other plea, that there is a reclamation scheme being carried on, whereby private individuals are draining a lot of land, and that this railway would improve the value of that land, I cannot see why the country should be called upon to spend a quarter of a million dollars to improve the holdings of any company or individual in that way.

I do not think there is any man either in this House or in the other who knows Lake Winnipeg as well as I do. I have practically lived on it for years, I have travelled it by canoe, by steamboat, and, in the winter, by dog-trains on the ice. I have cruised practically all the timber that is worth anything on both sides of the lake. Consequently I am giving first-hand information. To my mind there is no other investment in a pulp and paper mill in Canada that ought to appeal to investors as strongly as the building of a pulp-mill at some point on the Red river. Selkirk is where I claim it should be, as it is close to the power line, and 25 or 30 miles nearer to the raw material than Winnipeg. There are some other features which may make Winnipeg more desirable, namely, the employment and housing of men; but, apart from that, Selkirk is to my mind the logical point for the building of the mill. There would be tributary to that mill 4,000,000 cords of pulpwood—an almost inexhaustible supply for any moderate-sized mill. I trust that when the Railway Company investigate the question—because I am satisfied that they now know very little about it, or they would never have allowed the Committee of the other House to change the line—they will find that what I say is borne out; and, while I withdraw my opposition to the construction of this line, I do hope that proper investigation will be made before the road is built, and that a proper outlet will be given to the old St. George settlers and others.

Hon. Mr. DANIEL: Has Selkirk a railway connection with Lake Winnipeg now?

Hon. Mr. BRADBURY: Yes. In addition to what I have already said, I may say that at St. Boniface or Winnipeg there are branches of the two transcontinental lines. So there can be no question as to a continuous supply of pulpwood there, even though not one mile of this proposed branch to Pine Falls were built. The building of the mill on the Red river is in no way contingent upon the building of this line. Of course, if the company is going to confine its operations wholly to the timber it is supposed to control on the Winnipeg river, there might be some excuse for building this line to get the winter supply of pulpwood. Apart from that, so far as the mill is concerned, there is no necessity for the road at all.

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

LOCKEPORT BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 63, an Act respecting the Construction of a Canadian National Railway Line between Lockeport Station and the town of Lockeport, in the Province of Nova Scotia, as amended.

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

KINGSCLEAR-ST. CROIX RIVER BRANCH LINE BILL

CONSIDERATION OF COMMITTEE AMENDMENTS

Hon. Mr. BLAIN moved concurrence in the amendments made by the Standing Committee on Railways, Telegraphs and Harbours to Bill 26, an Act respecting the Construction of a Canadian National Railway Line between Kingsclear and the St. Croix River, in the Province of New Brunswick.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, this Bill has been very much discussed, without any satisfactory conclusion being arrived at.

Hon. Mr. DANDURAND: Satisfactory to my honourable friend.

Hon. Sir JAMES LOUGHEED: The amendments were, I think, determined upon at the midnight hour, when the Committee had been reduced to less than a dozen members.

Hon. Mr. DANDURAND: That was the second effort. We passed it with the full Committee at first.

Hon. Sir JAMES LOUGHEED: Well, we shall make another effort, and this will probably be the supreme effort, which will govern the situation, now that the Bill is in the House.

As honourable gentlemen will remember, instead of constructing the entire mileage of 41 miles at a cost of $2,123,000, it was proposed to secure, if at all possible, through the Railway Commission, running rights over the Canadian Pacific from Harvey Junction to Vanceboro, also to authorize the Company to construct 14 miles from Kingsclear to Harvey. I think it was estimated that the 14 miles would cost in the vicinity of $1,000,000. In the event of there being any difficulty in securing running rights, the National Railways were to have the right to construct the whole line as originally proposed. There is no doubt that representations were made which left a deep impression upon the mind of the Committee that relief should be given to the National Railways, either through the construction of the road in question or through the securing of running rights over the line of the Canadian Pacific from Fredericton to Vanceboro. It has been asserted upon very good authority that the object which the National Railways has in view could be achieved by means of obtaining running rights over that C.P.R. line. An objection to that was raised by the representative of the National Railways. I must say that I could not appreciate the objection, unless it was due to a desire on their part—a very laudable desire, I will confess—to control their own line. Apparently no consideration had been given to the fact that very substantial expenditure would be involved in the carrying out of the project which they had in view. At this critical time it is very undesirable for us to enter upon so enormous an expenditure if an alternative can be adopted whereby the Government of Canada might be relieved from an immediate expenditure in the vicinity of either a million or three millions, as the case might be.

My own impression is, honourable gentlemen, that the National Railways should make an application for running rights over the Canadian Pacific railway from Fredericton to Vanceboro. This would obviate the necessity of making any immediate expenditure. It would dispense with the necessity of investing capital in this particular enterprise and would at the same time place the National Railways on an equality with the Canadian Pacific. It would give them the same ingress to and egress from the Province as are enjoyed by the Canadian Pacific Railway, and the opinion has been expressed by many honourable gentlemen from New Brunswick, who are familiar with the situation and are in close touch with public sentiment in that Province, that this would meet the expectations of the public and answer all the purposes of the National Railways. The National Railways should not for all time be tied down to running rights over the Canadian Pacific, but no time could be more opportune than the present for the saving of a substantial amount of capital expenditure. I see no reason why, for the next three or five years, running rights should not be secured over the rails of the Canadian Pacific, whereby both roads would be placed on an equality and the country would be saved this enormous expenditure.

It was proposed—and the amendment makes provision accordingly—that the Railway Commission should determine the question of running rights from Harvey to Vanceboro. Now, I suggest, at the instance of some honourable gentlemen from New Brunswick, with whose opinion I am in hearty agreement, that a further alternative be inserted in the Bill so as to permit the Railway Commission to decide whether those 14 miles should be built or whether the object can be attained by securing running rights from Fredericton over the Canadian Pacific Railway to Vanceboro, the necesssity of making any expenditure in the building of the branch in question being thus obviated.

When the matter was presented before the Committee it was urged that the grades on the Canadian Pacific from Fredericton to Vanceboro were undesirable, and that the distance was a little longer. The distance is probably 15 or 16 miles longer.

Hon. Mr. GORDON: Five or six miles longer.

Hon. Sir JAMES LOUGHEED: Six miles longer, and the grades are a little heavy. But if that line is sufficient for the operations of the Canadian Pacific Railway, surely it should be equally good for the operations of the Canadian National. The Canadian Pacific, as a competitor, has thus no advantage of the National Railways, because they would both operate their trains or cars over the same line. It is, I understand, chiefly for the supply of cars.

In view of these considerations which I have presented to the House, I move that the Bill be further amended in accordance with what I have stated. I have not written out the motion, but shall hand it to the Clerk presently.

Hon. Mr. DANDURAND: Honourable gentlemen, this branch line is one that has occupied the attention of the Committee perhaps longest. There had been considerable discussion as to the propriety of building this line, and I am convinced that when we reached it in Committee, with the summary and general information that the members of the Committee had, there was a large majority against the proposal to spend $700,000 or $800,000 or $900,000 for that short line to connect the Canadian National Railway System in New Brunswick with the C.P.R. line running to the State of Maine. I mention that situation in order that the members of the House who were not present at the discussion in Committee may realize how much information and enlightenment we received when after a time it swayed the Committee and resulted in the proposed branch being carried unanimously.

Hon. Mr. DANIEL: Not unanimously.

Hon. Mr. DANDURAND: No. I will qualify that. St. John, New Brunswick, was still somewhat fearful that a few shunters in the yards there would lose their jobs if this short line were built.

Hon. Mr. DANIEL: That is the honourable gentleman's suggestion.

Hon. Mr. DANDURAND: I sized up the situation pretty well, and if there was not a unanimity of heart and mind, it was perhaps due to the fact that St. John might not do all the shunting on the trains coming on the Canadian National Railways and moving towards the State of Maine.

Now why was the Committee, which had been somewhat prejudiced against this line, persuaded almost unanimously to adopt the scheme? When the Chief Counsel of the Canadian National Railways told us that this was purely and simply a railway proposition—that it did not pretend to serve the locality, but was simply for the advantage of the System, and that the essential reason for the project was that the Canadian National Railways wanted to be sure of securing its share of the empty cars returned from the United States, I was somewhat taken aback. Could it possibly be necessary to spend nearly $1,000,000 to secure our share of the returning empty cars reaching the St. Croix river at Vanceboro, and divided between the C.P.R. and the Canadian National railways? When the story was unfolded to us, what did we find? That the Canadian Pacific Railway holds the gateway all along the border between New Brunswick and the State of Maine. Not only does it hold the gateway along that border, but I understand it so happens that the Canadian Pacific holds the gateways all through Canada. Consequently, at the Washington conference, which settles the division of those cars, the Canadian National Railways had no say. Only the C.P.R. was there. The order issued from that Conference gave the eastern section of the Canadian National Railways 50 per cent of the cars arriving in the State of Maine, at Vanceboro in particular, and the C.P.R. 50 per cent. When we were told that the Canadian National covered two-thirds of the Province of New Brunswick and all of Nova Scotia, that it was entitled according to mileage to 75 per cent of the returned cars, and yet was allowed only 50 per cent, we began to understand why the Canadian National Railways wanted to have access at the St. Croix River to the State of Maine.

Hon. Mr. DANIEL: Will the honourable gentleman allow me a question? In speaking of the greater mileage of the C.N.R. over that of the C.P.R., is he aware of what proportion of the railway export trade comes from the C.P.R. and goes through Vanceboro, and what proportion comes from the C.N.R.? The traffice on a large part of the mileage of the C.N.R. in New Brunswick and Nova Scotia is with the Upper Provinces and does not go through that gateway at all.

Hon. Mr. DANDURAND: All I can say in answer to my honourable friend is that

for one year it was a question of the Canadian National Railway being entitled to from 15,000 to 30,000 cars. In view of such figures I suppose the trade of New Brunswick with the State of Maine and the United States generally is considerable.

There was this other situation disclosed to us, that at a certain time—in the month of July, 1923, if I am not mistaken—when 1,250 cars reached the border, the Canadian National Railways received but 150. We were told by the Canadian Pacific Railway authorities that the reason was that in the previous month or two the Canadian National Railway had received 850 more cars than it was entitled to. The reply to this statement was that the surplus of cars that the Canadian National had received during a certain preceding period had returned to the United States through other channels; that, while the Canadian National might have received 850 more cars that it was entitled to, when there was no great pressure for freight to be shipped to the United States, or outside of the Provinces of New Brunswick and Nova Scotia, yet when the situation became serious, when there was considerable freight to be moved from Nova Scotia and New Brunswick, and people at every station in those Provinces were clamouring for cars, then the C.P.R. decided of its own accord to recoup itself for the 850 cars, which the C.P.R. admitted had been returned to the United States, but through another channel, and it retained 850 cars to make up the difference. Thus the Canadian National Railways, with the greater mileage, was left with only 150 cars as against 1,100. The necessity for the Canadian National Railways finding some way of obtaining an equal footing with the Canadian Pacific Railway in the matter of securing cars was so clearly demonstrated that the Committee agreed to pass the Bill. We were dealing with an acute demand for empty cars, which were not to be had. The situation existed in New Brunswick, and I am not sure if we were not informed that it affected Nova Scotia as well.

We are told that this is a time when we should economize—that it is not the moment when the Canadian National Railways should ask permission to spend $800,000 or $900,000 to obtain that connection with the State of Maine. My answer is that the Canadian National Railways are a formidable system which needs a fair chance in order that it may stand on its own feet, and that it should have sufficient leeway to march towards prosperity. It was stated to us that the system stood to lose considerable by not having the advantage of reaching Vanceboro.

We have now passed that stage practically. The Committee was so convinced that the Canadian National Railways should reach the American border that it said, in the amendment now before us, which was carried in the Committee, that the railway should be built to Harvey, and that the Canadian Pacific Railway should be asked for running rights from Harvey to Vanceboro. If those rights are refused, the Railway Board will be asked for an order allowing the Canadian National Railway to obtain running rights to Vanceboro. Failing that consent, the Canadian National will have a right to build and parallel the C.P.R. right down to the American border at Vanceboro. This shows how the Committee felt about the necessity for the Canadian National system going to that front door jointly with the Canadian Pacific, and securing its fair share of its returned empty cars.

Now I come to my honourable friend's amendment, which proposes that we give the Railway Board the opportunity of studying an alternative route in order to prevent the expenditure of that $700,000 or $800,000 that are to be spent on building a line from Kingsclear to Harvey. The alternative would be the obtaining of running rights over the C.P.R. from Fredericton to Vanceboro. Of course, this proposal was beyond my own knowledge of the situation; so on Saturday I wired to the Chief Counsel of the Canadian National Railways asking him to give me a statement of the advantages that would accrue to the Canadian National Railways from building that line from Kingsclear to Harvey, as against the proposition of obtaining running rights from Fredericton to Vanceboro. I have received from Mr. Ruel the following statement, which is a memorandum to Mr. Ruel from Mr. Gzowski, the Chief Engineer of the Construction Department:

> In reference to the request by wire of the Hon. Senator Dandurand of the 28th instant, to have a full statement showing the advantages of the Kingsclear Branch, over the Fredericton (running rights on C.P.R.) proposition, financially and otherwise. Below is given an economic study, which indicates the financial results to the Canadian National Railways of the two proposals.

Before proceeding further I would draw the attention of the Senate to the form of the amendment which was carried in Committee—and I simply repeat it in order to emphasize it—that the Canadian National will build from Kingsclear to Harvey, and not down to Vanceboro; will build 14 miles, and not 41 miles, if it can get running rights either from the

Canadian Pacific or from the Railway Board; but if it can get no running rights from either it shall be entitled to go the whole distance and build the 41 miles. The objection which the Canadian National Railway has to submitting this matter to the Railway Board is that it has seriously studied the situation as a railway proposition, and it has a profound belief that it is entitled to this amelioration in order that the system may thrive in its Maritime section; and it does not want to take the risk of practically submitting this question to arbiters. The Committee agreed with the Canadian National Railways on that point, because it allowed them to go to Vanceboro if the Railway Board did not see fit to grant running rights over the Canadian Pacific. Now I proceed to read the memorandum of Mr. Gzowski:

On inquiry from the Engineering Department of the Canadian Pacific Railway, it was learned their Fredericton Branch is now only capable of locomotive power of about 32,000 tractive effort, whereas on the proposal via Kingsclear locomotives having 53,000 tractive effort can be used. The C.P.R. Engineering Department, however, state that this line can be brought to a condition to use the same power which is now used on their St. John-Vanceboro line for a small sum of money. The figures below assume this to be the case, and do not penalize the C.P.R. route on account of their present light roadbed structure.

Besides the immediate financial benefit as indicated below, for the Canadian National, there are other advantages for the proposal of the Kingsclear-Harvey line. In case of blockage of line due to accidents there would be a short alternative route; much as it is regretted such things will happen, and this factor must not be overlooked. Our own trains would be operated on 42.9 miles less on a "foreign" railway where we have no control of them, which is a situation that has an intangible value of considerable weight.

That is to say, part of the Kingsclear way would have running trains that would be operated on 42.9 miles less of a foreign railway where we would have no control of them, which would be extremely desirable.

Although we do not own the St. John and Quebec Railway, we have such a long lease on it—

That is, a hundred years' lease—

—that we may consider that our financial interest in it is common with the province of New Brunswick. Therefore, the more traffic we give it between Fredericton and Kingsclear, instead of diverting this traffic to the C.P.R., the less burden it becomes not only to ourselves, but to the Province of New Brunswick. When economies were required in Maintenance of Way there would be 42.9 miles of which the Canadian National Railways would have no control. The user railway always has the second choice for dispatching of trains, of an equal class, under running rights agreement, and thus is subject to certain delays. All the above have a substantial annual value, upon which it is impossible to set a figure, but must not be omitted in the consideration.

It is readily understood why the Canadian Pacific Railway is quite naturally opposing the proposal of our own American connection, instead of having our business go through them.

Now, listen to this, honourable gentlemen:

They enjoyed receipts from use for this this in 1923 of $246,917, and being denied this would, no doubt, like to get what rentals and share of operating cost would come to them if we took running rights Fredericton to Harvey, instead of using our own line to Harvey.

The distance from Fredericton to Harvey via Kingsclear, and using the proposed new line, would be 33.8 miles, and would have ruling grades of 1.0 per cent Eastbound, and 1.08 per cent Westbound. There would be 16.5 miles of line to build at an estimated cost of $800,000. From our recent surveys this amount of $800,000 would be an outside figure. The distance from Fredericton to Harvey on Canadain Pacific Railway via Fredericton Junction is 42.9 miles, and ruling grades are 1.2 per cent Eastbound and 1.3 per cent Westbound.

Under a standard-term running rights agreement the rental would be one-half of interest, at say 5.5 per cent on valuation; maintenance in proportion to wheelage over the line, and pay all costs of installing and maintaining physical connections, and be deprived of doing local business. The three main items then, to compare, are—interest (or rental), maintenance and operation, and transportation costs of operating trains.

From the attached statements which make a comparison of the main items of annual expense of the two proposals between Fredericton and Harvey, worked out for different quantities of traffic, which includes the interest on the cost of building the Kingsclear-Harvey line, it will be noted that for the present or immediate traffic available the proposal to build the line from near Kingsclear to Harvey shows $32,656 annual saving, which if capitalized at 5.5 per cent means a capitalized saving of $593,745 for future, or prospective traffic; when doubled, the annual saving becomes $50,587 and capitalized $917,763; when trebled the annual saving would be $56,793, and this capitalized means $1,032,600.

Thus it is apparent there is a very large immediate advantage which will continue to grow as the business increases. Exports of lumber from New Brunswick, at one time, were almost entirely made by water overseas, but now the United States is consuming the larger portion, and this is growing, thus increasing rail shipments; therefore railway tonnage is confidently expected.

(Sgd.) C. S. Gzowski,
Chief Engineer, Construction Department.

I will put on Hansard the statement:

STATEMENT showing comparison of main items of annual expense of the two proposals, between Fredericton and Harvey—either using C.N.R. and building Kingsclear-Harvey line, or using C.P.R. by running rights via Fredericton Junction, based on three quantities of traffic.

Annual Items	Via Kingsclear—C.N.R. Route			Via Fredericton Junction—C.P.R. Route		
	Immediate traffic	Double that	Treble that	Immediate traffic	Double that	Treble that
	$	$	$	$	$	$
Interest charges on new line or rental on C.P.R.	44,000	44,000	44,000	60,500	60,500	60,500
Operating and maintenance of junctions	3,000	3,000	3,000	6,000	6,000	6,000
Maintenance of way and structures—						
Constant	16,500	16,500	16,500	21,450	32,175	32,175
Direct	in train mile cost					
Transportation costs	30,349	60,698	91,047	35,805	71,610	107,415
Dispatching costs	.....	.....	.....	2,000	3,000	3,000
Interest and depreciation on extra locomotive power employed	.....	.....	.....	750	1,500	2,250
Totals	93,849	124,198	154,547	126,505	174,785	211,340
Annual saving or advantage by using Kingsclear route	32,656	50,587	56,793	.....	.....	

The result of the statement supports the affirmation that the Kingsclear-Harvey line would show an annual saving over the Fredericton-Harvey line of actual traffic in favour of the Canadian National Railways of $32,656.

I add to this statement another one showing the details of figures comparing the alternative routes, Fredericton to Harvey:

Details of Figures Comparing Alternative Routes, Fredericton to Harvey

Certain assumptions for the calculations below, have to be made, namely:

(a) Valuation of Canadian Pacific Railway; on which rental will be paid, this will be put at $2,200,000 when improved to standards referred to.

(b) Quantity of business, present and future. This will be taken as one daily freight train, in one direction, of 1,800 gross tons Westbound, controlling, as present business, and double, and also treble this for future traffic.

(c) Maintenance of way costs of Canadian Pacific Railway, which will be put at $2,500.00 per mile.

(d) Ratio of Canadian National Railways wheelage, which will be put 20 per cent for present and 30 per cent for future traffic.

Operating costs used are from our own statistics, applicable to the section in question. Overhead expenses which are common to both routes are not brought into the calculation.

Interest or Rental.

via Kingsclear—5.5 per cent on $800,000 $44,000

via Canadian Pacific Railway—½ of 5.5 per cent on $2,200,000.. 60,500

Maintenance of Way.

via Kingsclear constant for new line 16.5 miles at $1,000.. 16,500

Direct Maintenance of Way included in train mile costs.

via Canadian Pacific Railway, (immediate business). 42.9 Miles x 2,500 x 20 per cent.. 21,450

via C.P.R. (Future Business) x 30 per cent 32,175

Transportation Costs.

via Kingsclear.

Train Miles—33.8 x 365—12,337 at $2.46 per train mile see attached).. 30,349

Double, and treble for future business.

via Canadian Pacific Railway. Will take ⅙ more trains, on account of heavier grades.

Train Miles—42.9 x 365 15,658

Add ⅙.. 2,610

18,268

at $1.96 per train mile (See attached).. 35,805

Then follows this statement, showing interest and depreciation on extra locomotive power:

Interest and Depreciation on Extra Locomotive Power via Canadian Pacific Railway, will take 1/6 more power to be on hand, therefore 1/6 more interest and depreciation must be charged: 1/6 of $50,000 at 9 per cent, $750.00.

Train Mile Cost.

For 1,800 gross tons train, 53 per cent locomotive, over 1.1 per cent grade with 36 cars:—

	Cents
Engine wages..	$22.0
Fuel..	58.2
Locomotive supplies..	2.4
Engine house..	11.7
Train wages..	26.6
Train supplies..	4.4
Total selected accounts..	125.3
Maintenance of locomotive— 53 per cent at 11 cents per 20 per cent.	29.1
Maintenance of cars— 36 at 1.4 cents..	50.4
Maintenance of way,—direct— 1,800 at 23 cents per 1,000 G.T.M.	41.4
	246.2
	$2.462

For 1,500 Gross Ton Train 53 per cent over 1.3 grade, with 30 cars.

	Cents
Selected accounts..	125.3
Maintenance of locomotive..	29.1
Maintenance of cars, 30 at 1.4..	42.0
	196.4
	$1.964

All this goes to explain in detail the figures which Mr. Gzowski gives us in favour of the Kingsclear-Harvey route as against the Fredericton route. These statements show that in actual expenditure on capital account there is a saving by building the short cut from Kingsclear to Harvey of 14 miles. Reckoned by the interest on the amount expended and the interest on half the cost of the Canadian Pacific Railway line from Fredericton to Harvey, in the operation there is still a saving in favour of that route. For these reasons, which will appeal to the mind of the members of the Senate, I say we should stand by the report of the Committee, and allow the Canadian National Railways to build these 14 miles in order to ensure their reaching Vanceboro at the lowest cost.

My honourable friend will say that these are matters which could be better discussed, presented, and decided by the Railway Board than by ourselves. I will not ask that the House divide on this matter at this stage. I will leave the members of the Senate to examine these figures until to-morrow, and then we may decide whether it is judicious to jeopardize the interests of the Canadian National Railways by allowing the Railway Board to decide on the alternative route, when all the officials of the Canadian National Railways feel, after a deep study of the subject, that the short-cut should be built instead.

Hon. Mr. REID: Honourable gentlemen, I would like at this point to say a few words on the railway situation. I must say that when the list of Bills came before the House I viewed the situation with alarm. In looking over the Bills I found three different classes of branches. First, there are branch lines some of which I thought should really be built, as being of material advantage to the Canadian National Railways. Next there were those that were put in the list by political pull. It was quite evident in the Committee that there were some Bills for branch lines that the Management of the Canadian National Railways did not want. Those Bills had to be included in the list, because otherwise the Management could not get the branches they really needed. Then there were—those lines paralleling the C.P.R. When the Canadian National Railways came into existence, I took the position that we should not build lines paralleling any existing railway. I thought it was not fair, that existing lines, whether Canadian Pacific lines or Canadian National lines, should be paralleled.

The honourable the leader of the Government said at first, until he was corrected, that this Bill passed the Committee unanimously. This Bill and many others did not pass the Committe unanimously. I do not want what I am about to say to be taken as applying only to this particular Bill. The honourable gentleman gives, as one reason for the passing of this Bill, the statement of the officials that they cannot get justice from the Canadian Pacific Railway, and, that the telegraphic system will be of great benefit in the operation. I may point out that the Canadian Pacific Railway operates over a portion of the Canadian National Railways between Toronto and Hamilton, and I have never heard of any trouble in the operation of those roads. I could give other similar cases. Is there any honourable gentleman in this House who thinks it is in the interest of either the Canadian National Railways or the country that we should have three lines from Toronto to Ottawa, running so close together that you could throw a stone across them? Is it reasonable to expect that they can be made to pay? Is it in the interests of the country that the Grand Trunk Pacific from Winnipeg to Edmonton should run parallel with other roads all the way through? Is not that paralleling one of the reasons why the Grand Trunk Pacific is losing so enormously each year? If the Grand Trunk Pacific had been constructed 20 miles further north, it should have have paid just as well as any other system in the Northwest.

The honourable gentleman says that the Canadian Pacific may not give running rights over the line between Fredericton and Vanceboro. The honourable gentleman knows that the Canadian Pacific Railway cannot help themselves if the Railway Board so order.

Hon. Mr. DANDURAND: I did not say that.

Hon. Mr. REID: That is what I understood. If I am in error, I am glad to be corrected. But if it is a fact, is it in the interest of this country to have a further liability or debt of $2,500,000 placed upon the country by the Government guaranteeing the bonds?

Hon. Mr. DANDURAND: The road is limited to 14 miles, which represents about $800,000.

Hon. Mr. REID: The honourable gentleman says the line is limited to 14 miles. But there is an if. He says that if the two companies cannot agree, the people of this country must guarantee the bonds, which would add $2,500,000 in perpetuity to the liabilities of the country.

Of course, there was not one of the Branch Line Bills submitted to the Committee in regard to which the officials of the Company did not make out a good case. They can make out a case that would convince almost any one. We do not know the situation as well as they do; they have looked over the situation, and we are not in a position to object to their statements. But are we to continue adding to the debt of this country and to the annual expenditure of the Canadian National Railways, thus making the cost of operation such that the railways cannot be a success in the future.

I think I know nearly all of the officials of the Canadian National Railways. I have had the pleasure of meeting Sir Henry Thornton only once. He was introduced to me, and I have had only the one conversation with him. I take his reputation as I found it when he came from England, and have nothing to say against him. He should be given a chance to see if he can make the Canadian National Railways a success; if he cannot, it is his duty to retire and to let someone else attempt to do so. The other men—Hungerford, Ruel, McLeod, Melanson, Robb, Dalrymple, Bell, Ormsby, Smart, Warren, Phillips, Hills—all the officials—are men with whom I have come in contact; and I say that in them we have just as good a staff of men to operate a railway as can be found in charge of any other railway in the country. But there is one feature which must not be forgotten. If they are not allowed to operate the road without political pull and political pressure, they may just as well throw up their hands until the railway is gone.

Some people ask why we did not let the roads go into liquidation—why we took them over? We could not do anything else at the time. The war was on, and we had to take them over. No Government could have stood and let them go into liquidation. Part of the present system did go into the hands of the liquidator. Why did we not let it go?

Hon. G. G. FOSTER: That is what you ought to have done.

Hon. Mr. REID: We let the Grand Trunk Pacific go into liquidation. The honourable gentleman means that we should at once have ceased paying out money to operate the Grand Trunk Pacific, and that we should have let the Grand Trunk railway go into liquidation, and should have paid out no more money for its operation. Such a thing was impossible while the war was going on. We had to carry on the operation of those railways, and for that reason I think the Government was justified in taking them over. If they had gone into liquidation the whole Grand Trunk Railway system would have been disjointed. It could not have been put into the hands of one liquidator, because there would have had to be a liquidator appointed in each state and province where there was a portion of the railway.

However, be that as it may, the railway was taken over by the Government in October, 1922, when a decision was rendered by the Privy Council. That was the time when we really got the whole Canadian National System fully connected up. Prior to that time we had the Canadian Northern Railway and the Government lines.

Last year's annual statement is really the first statement that shows the operation of the Canadian National Railway system as a whole. In looking over that statement, and comparing it with the Canadian Pacific railway statement, what do we find? Let us take the Canadian Pacific railway first. That railway, as we all know, is one of the greatest systems in the world; it has a staff equal to any in the world—all men of ability and experience, and who know how to handle the railway situation. This system consists of 20,126 miles of road. According to the Annual Statement printed and published, there stands against that 21,000 miles the sum of $828,023,863 on which dividends or interest must be paid. That is the capital stock and the bonds issued against it. That shows that the Canadian Pacific railway cost on the average $41,000 per mile. To pay a 10 per cent dividend and the interest on the bonds, $37,773,443 is required. But the Canadian Pacific railway has a permanent annual revenue of $11,391,051, which, if necessary, it can deduct from the $37,773,443. That leaves about $26,000,000, or $1,314 per mile that it has to earn to pay its 10 per cent dividend.

Now let us just turn to the Canadian National Railway System. As I have stated, that system has a splendid staff. It has 21,850 miles of road. The capital charged against that in the annual statement is $1,899,407,586. So, although it is only about 2,000 miles longer than the C.P.R., the amount over and above the sum charged to capital by the C.P.R. is $1,071,373,723. The average cost is $87,000 per mile as against $41,000 for the C.P.R. The fixed charges or liabilities that the

Canadian National Railway system must earn in order to pay the interest on the amount that has been loaned on these railways is $65,438,859. This means that the people of this country are liable for that amount in perpetuity whether the Canadian National railway earns it or not. Of course, if the Canadian National railway can earn $65,000,000, the people of this country will not be liable for the interest on the bonds or guarantees.

Some people say that a good way to make the railways pay would be to reduce the capital. Of the $1,900,000,000 that I have mentioned, $427,000,000, on which I have not included any interest is chargeable to the Canadian Government Railways. So that is practically written off. If you write off another $600,000,000 or $700,000,000 in order to bring the capital of the Canadian National Railways down to the level of the capital of the C.P.R., you must remember that you are simply adding a like amount to the debt of this country, and that in perpetuity we will have to pay the interest on the amount that we write off.

Hon. Mr. DANDURAND: We write off; we do not wipe out.

Hon. Mr. REID: It is simply a change in bookkeeping, and everyone will have to pay his share. Even after you write off that amount you have still got to have some $35,000,000 or $40,000,000 to pay the interest on the bonds.

There is another item that we have to add. I do not think any honourable gentleman will disagree with me when I say that not only have the Canadian National Railways got to earn that amount from the Grand Trunk and Canadian Northern systems, but that there is a liability by way of loss on the Transcontinental, the Grand Trunk Pacific, the Hudson Bay railway—in fact, all the Government railways—which I assume would amount to another $8,000,000 or $10,000,000 which must be earned in order to come out even.

Hon. Mr. ROCHE: In the statement you have just given, on the Canadian Pacific Railway, you allow an offset of $11,000,000 which was derived from other sources than traffic revenue. How much do you allow as an offset in the statement of the required earnings of the Government railways for the sale of lands in the future, which was one item to the credit of the Canadian Pacific railway?

Hon. Mr. REID: I have not yet seen any great amount of revenue from lands, and I think it will be time enough to consider that when we have some revenues. At all events, if there are any revenues, they would be very small, and would not have much effect on the total.

What I am trying to impress upon the House is the fact that the officials of this great railway system, when they took it over, believed they could make it a success. There was a meeting of the officials, who with their whole heart and soul, went into the question of trying to make the road go. But if they are to be burdened with railways they do not want, if millions are to be added to capital, and the cost of operation is to increase their liabilities, they will be disheartened as to the final results.

But that is not the worst feature, so far as the System is concerned. If the Canadian National Railways are to be compelled by supporters of the Government to run trains, increase operating expenses, and purchase supplies, there will undoubtedly be an end to the success of this great railway system. When it was taken over by the Government and the officials were told that it must be operated successfully or they would have to seek positions elsewhere, I believed that if it were kept absolutely free from political pull or pressure, it had great prospects of success; but when I saw—and the honourable leader of the Government himself saw—that among these proposed branch lines which Mr. Ruel was trying to prove to the Committee should be built, there were several which, the officials of the Railway had to admit, had been changed in the House of Commons so as to provide for a route altogether different from what was originally proposed, I felt the political influence had been at work. When officials of the Railway, at the meetings of the Committee, say that they do not think the lines in question will ever pay, surely the honourable leader of the Government recognizes at once that it was by political pull that the routes were changed after the Bills had been introduced in the House of Commons.

Hon. Mr. DANDURAND: But my honourable friend realizes that those were exceptional cases. I would not like my honourable friend's statement to be so general as to weaken the faith of the outside public in the reliability of the Canadian National Railway officials.

Hon. Mr. REID: I am not reflecting on the Canadian National Railway officials at all. They were anxious to get a number of lines passed, that would pay, but in order to secure their passage, the Railway officials presented not one, two or three, but several

more proposals which, you could easily see by the position they took, they never would have introduced into Parliament had they not considered it absolutely necessary to do so. What do we find in the House of Commons? There is no doubt whatever that the Government were compelled to present some of those Bills in order to carry the others. Why would the Government do that? I do not myself believe that the present Minister of Railways and Canals, or other members of the Government, would have introduced certain of those Bills or put them through if they could have avoided doing so; but without them they could not get the ones they wanted passed. The Government, with a small majority, had of course to put all the Bills, good and bad, together. The result is that when we have finished with these proposals there will be laid upon this country some millions of dollars of debt and liability that would never have been incurred by the present Government or the Railway officials if they could have avoided it.

Hon. Mr. DANDURAND: Surely my honourable friend will realize that when these Bills have obtained the sanction of the Senate they will have passed through the fire of criticism and the action we take will be justified, at all events, in the minds of my honourable friend and a majority in this Chamber.

Hon. Mr. REID: Of course, some of them will not pass. Some of them are so extremely bad that I am sure the honourable leader of the Government, and the Government themselves, will be delighted that they do not pass. But there are several others which probably will pass, but in my opinion should not.

I have made references to the present Government, but I want to say that they will apply equally to any succeeding Government that has not behind it a sufficient majority to enable it to say, "This road shall be built," or, "This road shall not be built." If the present method is to be continued by this or any succeeding Government, we may just as well throw up our hands at once: the Canadian National Railways will not be a success.

Hon. Mr. DANDURAND: But surely the Senate is not affected by that consideration.

Hon. Mr. REID: Oh, the Senate is affected just the same as the House of Commons. There is no doubt about that at all. It is plain that the Government could not help passing certain of these Bills, and I say that such a condition will continue so long as we have a Government with such a small majority.

Hon. Mr. MURPHY: They have no majority at all.

Hon. Mr. REID: As I have stated, I was hopeful of the future of the Canadian National Railways. I still believe that if the Management can keep the System free from political pull and pressure, if they are allowed to operate the lines without political interference, although they have a big task, it can probably be worked out; but if the Canadian National Railways are to be loaded up each and every Session with expenditures of this kind, I say they cannot be a success. Personally I want to see them successful. I want them to be given a fair trial and to have every possible opportunity of showing the people of Canada what can be done. I see by the newspapers that an appropriation of $56,000,000 has been placed in the Estimates for the loss on the Canadian National Railway System last year. We shall vote that amount in a few days. We cannot stand such losses for many years. The Management must bring down the deficit; otherwise the people will not stand for it.

I say, give the Railways a chance. Do not allow political pull or political pressure to make it impossible for the Railways to succeed. Do not allow it to increase the debt of this country to such an extent that the people cannot bear the burden. I do not believe any honourable member of this Senate wants to see the Railways reduced to such a state that in two, three, or four years from the present we shall be compelled perhaps to dispose of them, or remove them from public ownership. I want to see the System left where it is, and I want to see it a success, but I say that the action taken at the present Session in introducing a number of Bills that ought not to have been introduced is due to political pressure. We have before us Bills for the construction of lines that will parallel existing railways which can carry on the work as well as the new lines proposed.

The railway between Fredericton and Vanceboro is 65 miles long. The intention of the Bill is that a portion of the proposed line should run over the Canadian Pacific Railway System. The Canadian National Railway officials want that; they say that is all right; there is no trouble or friction at all about operating half of this line over the Canadian Pacific, on which they expect to get running rights; but as to obtaining running rights also on the other portion, from Fredericton, and operating on the whole 65 miles, instead of spending two and a half millions of dollars, they say that friction would result and they could not make the

line a success. I cannot see any logic in that. Instead of obtaining from the Board of Railway Commissioners running rights on half of the road, from Harvey, I think, to Vanceboro, why should they not operate on the whole line and save an expenditure of two and a quarter millions of dollars on this country, and an annual interest charge of probably $150,000, that the people of Canada will have to pay.

Hon. Mr. DANDURAND: Honourable gentlemen, I move that this Order be discharged and be placed on the Order Paper for to-morrow.

Hon. Mr. MURPHY: As this is purely an operating proposition, and as our honourable friend the ex-Minister of Railways has given a certificate of character and efficiency to Mr. Hungerford, who is, after all, the chief operating man on the C.N.R., I would like to ask the honourable leader if he could not have Mr. Hungerford here to-morrow to try to enlighten some of those who seem to be in darkness. For my part, I very seldom differ with my honourable leader, but on the present occasion I do. We have passed Bill after Bill, to the number of a dozen, here to-day; we have practically rolled them through; but when it comes to a Bill which provides for the building of 14 miles, and entails an expenditure of only $800,000, and which, as the honourable leader of the Government has shown, to my mind, distinctly, would be a paying proposition and result in a saving, we see all kinds of opposition. There is no political pressure with regard to this; and I am free to agree with my honourable friend who has just spoken that it was transparent in the Railway Committee that there was political pressure in regard to several of those lines, especially as instanced by my honourable friend from Selkirk (Hon. Mr. Bradbury) to-day in connection with the line to Pine Falls. I would ask the honourable leader if he could not get Mr. Hungerford for us before this Bill is disposed of.

Hon. Mr. DANDURAND: My honourable friend will see in Hansard a statement giving all the data which the Canadian National Railway is able to give in justification of the building of these 14 miles, at a cost of $800,000, and not $2,500,000, as stated by the honourable gentleman from Grenville (Hon. Mr. Reid). As the statement regarding the Canadian National Railway will appear in Hansard to-morrow, I think we shall be in a better position then to pass judgment upon the amendment of my honourable friend and upon the proposition itself.

Hon. Mr. MURPHY: Anybody who listened to the honourable leader's figures ought to be able to pass judgment now.

The Order stands.

CUSTOMS BILL (VALUATION FOR DUTY)

SECOND READING

Hon. Mr. REID moved the second reading of Bill S5, an Act to amend the Customs Act (Valuation of Foreign Goods for Duty).

He said: The purpose of this Bill is to fix the duty on goods from countries whose currency is substantially depreciated. Take for instance the franc: it is now worth about 25 per cent of its standard value. Goods coming from a country in which the currency is so much depreciated pay duty on only about one-quarter of their value. I would like the honourable leader of the Government to accept this Bill and allow it to pass. If he cannot see his way clear to do so, I do not wish to detain the Senate any longer with the Bill, and we may as well drop it.

Hon. Mr. DANDURAND: I suppose the idea of my honourable friend is practically to increase the duty by altering the basis of valuation.

Hon. Mr. REID: No. I will explain what I mean.

Hon. Mr. DANDURAND: But the effect would be to increase the duty. Those goods, in my honourable friend's opinion, are imported at too low a figure, and he thinks that the duty should be increased by adopting another standard of valuation.

Hon. Mr. REID: I will explain it in this way. For instance, on goods coming from England the duty is paid on the basis of the English pound being worth $4.60 or some such figure. On goods imported into Canada from Germany and two or three other countries duty is paid on the same basis of valuation as on goods from England, although the money of those other countries may be worth only 5 per cent of its standard value. Why should not the duty on goods from France or Belgium be paid on the same basis as that on which duty is paid on goods from Germany and other countries—that is to say, the value that would be placed on similar goods from Great Britain?

Hon. Mr. DANDURAND: And a heavier duty levied?

Hon. Mr. REID: But you charge the regular duty on goods from England. For instance, an article imported from England pays duty at the rate of 30 per cent. If the pound is worth $4.60, you will pay at the rate of 30 per cent on the $4.60. If you bought similar goods from France, as the value of the franc is only 5 cents, you would be paying duty on only one-quarter of the standard value, or on the basis of $1.15 to the pound. If you paid 30 cents on $1.15, the duty would be 35 cents instead of 30 per cent of $4.60, which would be $1.38. In other words, I say if the Government are bringing in goods from those countries and making them pay the same rate of duty as is paid on goods coming from England, why not give the people of this country the same protection on those goods as they get on importations from Great Britain?

Hon. Mr. DANDURAND: The same protection through a higher duty being levied?

Hon. Mr. REID: No, through the value of the money, even going as high as English money. For instance five French francs, normally worth a dollar, are now worth only 25 cents of our money. I would suggest charging a duty on a valuation of goods at 50 cents on the dollar. Although this would not be equal to the rate on British goods, it would help us by way of protection. An Order in Council was passed after the war placing German goods on the same basis as English goods as to the valuation for duty; that is, that German money must be valued the same as English money, although it may be worth only 10 cents on the dollar. Hence Germany and other countries simply manufacture the goods, or have them manufactured and labelled in France, and ship them from France to Canada, and thus, instead of paying duty on $4.60 they pay it on about $1.50. I do not think that is fair.

If the honourable leader of the Government does not understand this matter thoroughly, or in case I am wrong, he might let the Bill stand over until to-morrow, and if he finds that no action can be taken, we may as well dismiss it without any further discussion, though I consider it a fair matter for discussion.

Hon. Mr. DANDURAND: I understand what my honourable friend is aiming at; but, after the statement he has made, I would ask His Honour the Speaker to examine into the question of the right of the Senate to legislate in such a way as my honourable friend suggests. The Bill can be postponed until to-morrow, and His Honour the Speaker will give his opinion upon the power of the Senate, inasmuch as the Bill of my honourable friend would have the natural effect of increasing the duty paid on most of those articles at the port of entry. That being so, it would need to be preceded by an authorization of the Governor-General, and introduced in the other Chamber. Being a money Bill, it could not be initiated in this House.

Hon. Mr. REID: If I am out of order in reference to this Bill, the matter can be easily remedied by the Government taking the Bill over, and putting it through and I am willing that they should have all the credit for it.

Hon. Mr. DANDURAND: It would need to be started in the House of Commons, not here.

Hon. Mr. REID: The honourable leader might undertake to start it there, and it would not take more than a day or two to put it through.

The Order stands.

DIVORCE BILLS

SECOND READINGS

Bill D6, an Act for the relief of Malcolm Middleton.—Hon. Mr. Pope.

Bill E6, an Act for the relief of Clara Louise Kinnear.—Hon. Mr. Haydon.

Bill F6, an Act for the relief of Allan Thomas Easson.—Hon. W. B. Ross.

Bill G6, an Act for the relief of Henry Irwin Claxton.—Hon. Mr. Green.

Bill H6, an Act for the relief of John Henry Smith.—Hon. Mr. Blain.

Bill I6, an Act for the relief of Bertha May Roy.—Hon. Mr. Blain.

Bill J6, an Act for the relief of Lunetta Elmina Hay.—Hon. Mr. Blain.

DOMINION LANDS BILL (RIGHTS OF WAY ACROSS SCHOOL LANDS)

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 187, an Act to amend the Dominion Lands Act.

He said: This is a short amendment allowing the sale of school lands for reservoir, church, cemetery or hospital sites. As the Dominion Lands Act stands at present, there is no way in which school lands required as rights of way for drainage, irrigation, pipe line, reservoir, or other projects may be acquired except by purchasing the land at

public auction. This has led to unnecessary expense and inconvenience in the past, and it is desired to provide a means by which such lands may be obtained so as not to hold up the development of a district. The Governments of the three provinces affected have agreed to this amendment as not being detrimental to the School Lands funds.

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. Blain in the Chair.

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.

CANADIAN NATIONAL RAILWAYS BILL (GUARANTEES)

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 190, an Act to amend the Canadian National Railways Act.

He said: On the last day of last Session we had under consideration a Bill amending the Canadian National Railways Act. After a hurried conference we passed an amendment to the Act which was accepted by the other Chamber, but which has created some confusion in the minds of some of the legal officers of the Department of Railways, and possibly also in the Department of Justice. In this connection I will read a short memorandum which explains the situation, and if the second reading of the Bill carries, I will ask that the Bill he considered by the Committee on Railways, Telegraphs and Harbours, so that we may have there the officials of the Department to discuss around the table the value of this proposition.

Hon. Sir JAMES LOUGHEED: My honourable friend might make his explanation. I am not prepared to say whether we should commit ourselves to the principle of the Bill on the second reading; but I shall be very glad to hear the explanation.

Hon. Mr. DANDURAND: I will read the statement, and if my honourable friend believes that he should offer some remarks on the principle, or if he deems it proper, without adhering to the principle of the Bill, that we should send it to the Railway Committee, which meets to-morrow, I will agree to that course.

Hon. Sir JAMES LOUGHEED: Is not this the Bill which was amended last year when there was a hurried conference with Hon. Mr. Fielding by the honourable gentleman from Middleton (Hon. W. B. Ross) and myself?

Hon. Mr. DANDURAND: Yes, on the last day of the Session there was a conference. I will read the memorandum explaining the reason for introducing this Bill:

Re Bill 190, House of Commons: "An Act to amend the Canadian National Railways Act, 1919."

The Canadian National Railways Act, 1919, Section 26, reads as follows:

"26. The Company may, with the approval of the Governor in Council, issue bonds, debentures, debenture stock, perpetual or terminable, or other securities (hereinafter called securities) in respect of the mileage of the lines of railway which it, from time to time, constructs, acquires, owns or controls—not including the Canadian Government Railways nor exceeding, with outstanding securities, in the aggregate seventy-five thousand dollars (475,000) per mile. Such securities may be issued separately in respect of one or more of the Company's lines of railway or properties taken together. The Company may issue such securities in one or more separate series maturing at the same date or at separate dates, and bearing the same rate or different rates of interest, not exceeding in any case six per cent, and may limit the security for any series or issue to such of the franchises, property, assets, rents and revenues of the Company, present or future, or both as are described in the mortgage or mortgages made to secure such securities."

This section gives authority to the Canadian National Railway Company, with the approval of the Governor in Council, to issue securities in respect of the mileage of the lines of railway which it, from time to time, constructs, acquires, owns or controls.

Chapter 37 of the Statutes of 1923, "An Act to amend Canadian National Railways Act, 1919" amended section 26 of the 1919 Act by adding subsections 2, 3 and 4, together with a Schedule referred to as in said attached Act set out.

This amendment, as set out in subsection 2, includes in the definition of "securities" as defined in section 26 of the Canadian National Railways Act, 1919, "equipment certificates or obligations" to be issued to the public for the purposes of or by the Canadian National Railway Company or any of the Companies designated in the Schedule to the said Act.

In connection with the financing of equipment for railway companies, there is a form of equipment security issued in the United States under what is known as the Philadelphia Plan. In short, this Plan provides for the railway company paying the first 25 per cent of the cost of the equipment, the balance being covered from money raised on the equipment security, which is a serial security for a period covering 10, 15 or 20 years and bearing interest at the current rate of the market. This form of security is considered a first-class one and is readily absorbed by the investing public of the United States.

In 1923 there was a proposal to issue some twenty odd millions of equipment securities for the purpose of taking care of rolling stock purchases of the National Railways, and it was considered opportune to issue these securities on the Canadian market.

As the particular form of security was not as well known as the railway government-guaranteed security, it was thought better to ask Parliament for authority to guarantee this security. An Act was put through the House of Commons but, when it came before the Senate, it was amended to a certain extent, and when the railway was making the proposed issue they were advised by the Justice Department that the amendment to the Act had been so phrased as to prohibit the issue of equipment security. It was, therefore, necessary to issue bonds instead for the purpose.

This year it is proposed to make an issue of some $12,500,000 worth of equipment securities, and it is not known whether these will be placed upon the Canadian or American market. If they are placed upon the American market, Government guarantee will not be necessary, as the equipment will realize just as much without the guarantee as with it, but should it be placed upon the Canadian market it will be necessary to guarantee the equipment to assure the obtaining of their full value.

The legislation now before Parliament is for the purpose of correcting the legislation of last session and only allows the issue of equipment security in case Parliament has voted 25 per cent of the full amount required: otherwise, authority is with-held.

The only object of the guarantee is to protect the railway in case they make the issue on the Canadian market and, if this authority is with-held, it places it within the power of the American underwriters to make their own terms but, if it is optional to go to either the Canadian or American market, the prospects for obtaining full value of the security are very much better.

This Bill passed the House of Commons without dissent (See Hansard, House of Commons) No. 79, June 27th, page 3945.

Hon. Sir JAMES LOUGHEED: Does the memorandum state wherein the legislation of last Session was or is abortive? Wherein has the clause that the Senate placed in the Bill failed to meet the purposes of the Government?

Hon. Mr. DANDURAND: The amendment which we made on the 30th of June, 1923, was, I think, the fourth subsection of section 2:

Nothing herein contained shall be construed as granting power to guarantee any security the issue of which has not been authorized by Parliament.

Now, I can either move the adjournment of this Bill until to-morrow, or move the second reading on the understanding that no one is bound by the principle, and send it to the Railway Committee, which meets to-morrow, where we will have the officials of the Departments concerned to explain the difficulty which has arisen.

Hon. Sir JAMES LOUGHEED: All right.

Hon. Mr. DANDURAND: I therefore move the second reading of the Bill.

The motion was agreed to, and the Bill was read the second time, and referred to the Committee on Railways, Telegraphs and Harbours.

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

Hon. Mr. DANDURAND.

THE SENATE

Wednesday, July 2, 1924.

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

Prayers and routine proceedings.

LEAGUE OF NATIONS SOCIETY

AN OTTAWA MEETING

The Hon. the SPEAKER: Honourable gentlemen, I have the honour to announce that a meeting, under the auspices of the Ottawa Branch of the League of Nations Society in Canada, will be held in the Railway Committee Room on Thursday, July 3, at 2.15 p.m. Mr. Frederick Whelen, one of the Governors of the London School of Economics and principal lecturer of the League of Nations Union in England, will address the meeting on "The Political Activities of the League of Nations," Mr. Whelen will go direct from Canada to England, and his next address will be to the members of the House of Lords and the House of Commons at Westminster.

CANADIAN NATIONAL RAILWAYS BILL (GUARANTEES)

THIRD READING

Bill 190, an Act to amend the Canadian National Railways Act, 1919.—Hon. Mr. Dandurand.

DIVORCE BILLS

THIRD READINGS

Bill D6, an Act for the relief of Malcolm Middleton.—Hon. Mr. Pope.

Bill E6, an Act for the relief of Clara Louise Kinnear.—Hon. Mr. Haydon.

Bill F6, an Act for the relief of Allan Thomas Easson.—Hon. W. B. Ross.

Bill G6, an Act for the relief of Henry Irwin Claxton.—Hon. Mr. Green.

Bill H6, an Act for the relief of John Henry Smith.—Hon. Mr. Blain.

Bill I6, an Act for the relief of Bertha May Roy.—Hon. Mr. Blain.

Bill J6, an Act for the relief of Lunetta Elmina Hay.—Hon. Mr. Blain.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from June 24 the adjourned debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year, 1924, inquire into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

Hon. C. E. TANNER: Honourable gentlemen, I had intended to go on with this discussion this afternoon, but as a request has come to me from an honourable gentleman on the other side of the House who desires to take part in the debate, in order to accommodate my honourable friend I am proposing to move the adjournment of the debate until to-morrow, with the understanding that we would have the right of way, which I presume will be satisfactory to the leader of the House.

Hon. Mr. DANDURAND: I would rather promise running rights.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. DANDURAND: I may promise this to my honourable friend, inasmuch as we have pressing business this must be dealt with this Session, that we will sit late enough to-morrow night to permit my honourable friend to reach the foot of the list.

Hon. Mr. TANNER: I do not want to wait until 12 o'clock at night. My honourable friend will understand that I am doing this entirely for the accommodation of one of his friends.

Some Hon. SENATORS: Go on.

Hon. Mr. DANDURAND: My honourable friend may as well proceed now. I have no right to limit my honourable friend, but of course he knows what work we have ahead of us. He, being a lawyer, will, I know, give us a concise opinion of the whole situation.

Hon. Mr. TANNER: I have had it in mind to do what my honourable friend has suggested. I have no desire to extend the discussion unduly, nor do I intend to go over all the ground which has been so well covered by my honourable friend from New Westminster (Hon. Mr. Taylor), and I hope that I shall be able to say all that I desire to say within a very brief time. My honourable friend will remember, of course, that this is a matter of very considerable importance in the minds of a large number of people in this country; and notwithstanding the views which were expressed by the honourable the junior member for Ottawa (Hon. Mr. Haydon), I think some time may be very profitably spent in further discussing the subject.

I am not conceding anything to my honourable friend from Ottawa in regard to the general aspect of the Canadian National railways. Nothing will be gained by rehearsing the history of the last four or five years; but it will be sufficient to remind my honourable friend that perhaps he himself, and certainly men in this country who were associated with him very closely, were not, a year or two ago, very much concerned about the success of the Canadian National railways. They were more concerned about making unreasonable attacks, as I would express it, upon the then Management of the railways; and were apparently of a mind that would be disposed to convince the people of Canada that these railways would never be a success. So, perhaps I should be glad to congratulate my honourable friend on having come to the state of mind in which most of us, are—at any rate, on this side of the House—that the National Railways should be given by every class of the population of this country a fair opportunity to make a success. But it does not follow from that, that either this Parliament or the people outside of Parliament are to take so little interest in the management of the National railways or in their success that they will not from time to time point out deficiencies as they see them. I am not favouring undue or petty criticisms of the railways or of their management; but I would hope and would expect that the people of this country generally would be so concerned about this great property in which so much public money has been invested that they would feel it to be their duty as citizens to help; and if by suggestion or by advice they can be of help to the Management, they will be show-

ing their good will in that respect. I might remind my honourable friend that a man no less distinguished than the Minister of Finance of Canada, who unfortunately is incapacitated by illness, Hon. Mr. Fielding, laid it down in the House of Commons last year, in answer to a statement that there should be no politics in the National Railways, that politics is the business of the people of this country, and that the railways are the business of the people, and that in the larger and proper sense of the word it would be useless and absurd to think that there should be no politics in the Canadian National Railways.

My honourable friend from Ottawa (Hon. Mr. Haydon) referred to the matters which are before us at present as being very trivial. I do not need to enlarge on that aspect of the matter. The President of the National Railways did not regard them as trivial, but sent one of his leading officials to Vancouver, who spent seven weeks in calling witnesses, taking down evidence, and expending public money, and presented a report which covers 100 pages of printed matter and typewritten evidence covering about 2,000 pages. If the matters were really trivial, why should so much time and money be expended in their exploration? I submit that this is in itself a sufficient answer. Further, I might remind my honourable friend that during the debate in this House the honourable leader of the Government did not regard the matter as trivial, nor did President Thornton, because on one occasion the honourable member from Westminster was asked if he would be content with a Royal Commission. Does my honourable friend think that a Royal Commission should be appointed to investigate trivial matters, or does he think that the suggestion of a Royal Commission was made because President Thornton and the leader of the Government thought these matters were mere trifles? Again, at a later stage, the honourable leader of the Government suggested a special committee of lawyers to examine the report made and the evidence taken by Mr. Temple. Again I ask him why such a suggestion should be made by the honourable leader of the Government if my honourable friend from Ottawa is correct in saying that the whole thing is a trifle?

There seemed to be undue heat in the discussion of this matter on the part of my honourable friend from Ottawa. I would have expected him to approach the discussion in a judicial spirit, not in a spirit of anger and impatience, and which burst into characterization which I am bound to confess is a little unusual in this Chamber. From the beginning to the end of this matter there has seemed to be an atmosphere of bad temper. For instance, in looking over the evidence of gentlemen who were examined at Vancouver, we find a man of the name of McCoskrie, who was regarded by Mr. Temple as a very estimable witness, using very derogatory language in regard to Captain Boyd, characterizing him as a sort of jumping frog. Then another of those witnesses, Captain Finglass, is reported to have made an offer to throw off his coat on one occasion during the taking of evidence and invite Captain Boyd to go out into the back yard and settle the matter with fists.

Hon. Mr. WATSON: A good idea.

Hon. Mr. MURPHY: Was he sworn?

Hon. Mr. TANNER: Then one Edgecombe, a witness very much favoured in the mind of the investigator, is on record in this evidence as using very coarse language in regard to Captain Boyd, saying that he was an old son of a bitch—not very elegant language on the part of these witnesses to whom Mr. Temple gave so much credence.

Hon. Mr. MURPHY: Was he on oath?

Hon. Mr. TANNER: Oh, no, none of them were on oath.

Hon. Mr. DANDURAND: But some swore.

Hon. Mr. TANNER: I might remind honourable members that that gentleman, when accused of making a statement like that, adopted the rather extraordinary course of getting out of it by saying: "No, I did not say that in regard to Captain Boyd; I said that Captain Boyd's old friend, Lloyd George, was a son of a bitch"—and that is on the record which is submitted to this House.

I am only mentioning these little incidents in order to come down to my honourable friend from Ottawa, who in his anger described this unfortunate man, Captain Boyd, as an incapable and incompetent man, and as an old fool; and then my honourable friend wound up, not by throwing off his coat, like Captain Finglass, but by saying to my honourable friend from New Westminster that if that honourable gentleman had said about the honourable member from Ottawa what he said about Mr. Temple he would have asked him to throw off his privilege as a member of this House and would invite him to a duel in the courts of law.

Perhaps I am dwelling too much on this aspect of the matter, but I think it is desir-

able, because this atmosphere of antagonism and of ill-temper seems to have pervaded the subjects which we are discussing from the beginning to the end.

My honourable friend read something from a newspaper, and suggested that if the time of the Senate was to be taken up with investigations of such trivial matters, it would be better for the Senate to abolish itself. To me that remark sounded like old party propaganda. We can remember away back to 1894, when the reform or abolition of the Senate was prominently put forward and was taken up, perhaps by my honourable friend himself, if he was in political life then. But the Senate has gone on, notwithstanding assaults and attacks which have been made upon it by Bolshevic newspapers, and are being made by people who think they are reformers, and run away with the idea that to suggest a change is to make a reform. The Senate is here, and whether my honourable friend remains as a member of it or resigns in disgust, I think the Senate will continue doing the work for which the founders of Confederation intended it as a safeguard and bulwark of the interests of this country.

Probably if my honourable friend would go out among the class of persons to whom I have referred, and consort with some of those newspaper men, who, it is said, have a reason for attacking the Senate,—because their newspapers are said to have a close affiliation with the patronage fund of the Canadian National Railways, and wish to get into the trough not merely up to their knees but up to their throats—he would likely find those sentiments to which he refers in regard to the abolition of the Senate. He might also find them among the more restless people of the country who desire changes whether they are beneficial or not; but if my honourable friend would consult the sober-minded people of Canada, the men who have stakes in this country, who are owners of property and have great interests, I think he would learn from them that while we might very well do without the House of Commons in this day, this country could not afford at all to do without the Senate.

Now I want to say a word about this gentleman who has been very much abused, as I see it—Captain Boyd. My honourable friend referred to him as a star witness; he also referred to a Mr. Sheppard as a star witness. Captain Boyd is a sea captain of some thirty or forty years experience, as I am informed. As sea captain he served one of the leading Belfast firms for 16 years, and served it with satisfaction. He is a sea captain who gave 4 years of his life in the most difficult part of the war, as master of a ship sailing through the war zone, carrying war materials between this continent and the seat of war. I do not think it lies in the mouth of any honourable member of this House, or in the mouth of Mr. Temple, to use disparaging remarks in respect to this gentleman, Captain Boyd. I think he deserves better of this country; he deserves better of Mr. Temple, and also of my honourable friend from Ottawa.

I will only make a passing remark on what is called the Watson report, which my honourable friend sought to discredit. Mr. Watson was appointed by President Thornton to make his inquiry; he did so; he reported irregularities of a very serious character; and as soon as he made that report President Thornton dismissed him. Evidently the President has very little use for investigators who find out irregularities, but has a great deal of pleasure in investigators like Mr. Temple, who are able to spend 7 weeks' time, and doubtless a large amount of public money in spreading a thick, or thin, coat of whitewash over irregularities.

My honourable friend next discussed what are called the minor accidents alleged to have been caused by Captain Boyd. I am not going into the details, which have been already discussed by the honourable member from New Westminster; but I have a very short answer to make to my honourable friend in regard to them. He says that Captain Boyd's dismissal was based on those minor accidents. I want to say to him that the evidence shows that Captain Boyd was not dismissed on account of the minor accidents. Captain Finglass, who occupied the position of Assistant Superintendent, as I understand it, is on record in the evidence as stating definitely that those minor accidents were mere trivial affairs. In the second place, there is a statement of Captain Tedford, who is the head of the Merchant Marine at Montreal, that it was only when the report came to him of the large expenditure which was to be made in the dry-dock on this ship, the Farmer, that he decided to dismiss Captain Boyd. That brings us right up to the fact stated by the honourable member from New Westminster, that all the circumstances in regard to Captain Boyd's dismissal hinge on what took place in the dry-dock. My honourable friend contended, and I think he has proven to a conclusion, that the damage which was supposed to have happened when the ship touched the danger reef could not possibly account

for the large expenditure made on the bottom on the ship when she was placed in the drydock at Prince Rupert. The two facts I have stated show conclusively that my honourable friend is wrong in attributing the dismissal of Captain Boyd to what are called the minor offences.

Then there is the corroborating circumstance that one Mr. Amburn—who was examined before Mr. Temple, and who I am free to admit is not believed by Mr. Temple, and consequently not believed by my honourable friend from Ottawa—stated circumstantially that he was informed by a gentleman in Vancouver who was close to the bootlegging fraternity, two months before Captain Boyd was dismissed, that Captain Boyd was going to be dismissed. I am credibly informed that other gentlemen who were not so far removed from the bootlegging fraternity in that city had made similar statements in regard to Captain Boyd. So that I think we may conclude, honourable gentlemen, that on the matter as submitted to us by Mr. Temple, in the evidence and in his report, Captain Boyd was a victim of foul play when he was dismissed.

Let me make this remark in passing—because I do not intend to go into the discussion of the details debated by the honourable member from New Westminster. Living on the Atlantic coast and having had all my life more or less association with ships, both large and small, I knowing a little about shipping. The evidence of the seamen, who were abroad of the Farmer when she touched the Danger Reef shows with fair conclusiveness that the blow on the bottom of the ship was very trifling indeed. After the accident, if you call it an accident, the ship was examined in the ordinary course by an inspector, and a certificate was given that no damage had been done. She continued sailing and doing her work for several months afterwards, and it was only in the ordinary course of overhauling that she was put into the Prince Rupert dock. It was then that these gentlemen to whom my honourable friend from New Westminster refers got about her like a flock of harpies, and discovered that tremendous damage had been done by this ship touching the Danger Reef. The seamen who were on board of her at the time said that they hardly felt the touch, Mr. Temple does not believe them. He brushes aside the evidence of these seamen as if, because they were seamen, they could not be believed; but he accepts the evidence of the crowd who were about her and worked up a bill of $11,000 for repairs. And it was because of the report of that large bill coming through to Montreal that Captain Tedford decided he would have to put the blame on Captain Boyd and dismiss him.

What I started to say was this, that anyone who is familiar with ships, large or small, must see that it is not reasonable to think that so much damage could have happened without somebody on board the ship knowing when the ship struck. If she had gone on a reef and struck there, and pounded on the reef, we could understand that there would be tremendous damage. But as apparently she merely sailed over it and touched it gently, so that the men who were lying in their bunks could hardly realize that she had touched at all, it may be presumed that the bill from the drydock in Prince Rupert was largely, as my honourable friend from New Westminster has said, made up out of whole cloth.

I would remind honourable gentlemen, and in particular my honourable friend from Ottawa (Hon. Mr. Haydon), that it is not Captain Boyd but the honourable member from New Westminster, who is making these charges. Anyone who takes the trouble to read the report of Mr. Temple will observe how he puts Captain Boyd in the forefront. It is Captain Boyd all the time, and the honourable member from New Westminster, who made the charges, is made to play a secondary part. It was the honourable member from New Westminster who made the charge about the inflation of the bill in the drydock; it was he who made the charge in regard to the log; it was he who made the charge in regard to the bootlegging; and these issues should have been investigated in the presence of the honourable member.

Now let me ask, who is the honourable member from New Westminster? I think that in view of what Mr. Temple has said it is very desirable to ask that question. The honourable member from New Westminster has, as far as I know, a record of public service in civil life, in public life, in military life, which will challenge the record of President Thornton or of his subsidiary Mr. Temple. My honourable friend from New Westminster, has for a considerable number of years conducted business on the Pacific coast, and, if he will permit me to say so, no one yet has made any suggestion which would be derogatory to his character or standing. He represented a constituency in the House of Commons for a considerable number of years, and represented it with credit to himself and honour to his province. When the call came for service in the war, my honourable friend, although not a boy, was willing to serve. He went overseas, did his bit, and came back with an honourable record.

I am merely rehearsing these facts to you, honourable gentlemen, because I think it desirable that the world should know the manner of man who is making the charges in this case. He is not a busybody; he is not a man who is trying to stir up mischief, or who is carried away by winds here or winds there or winds somewhere else. If there is one stable, sober-minded member of this honourable House, it is the honourable member from New Westminster; and, when he stands up in his place in this House and makes statements, charges, or complaints in regard to the management of the Canadian Merchant Marine or the Canadian National Railways, this House has the right to take cognizance of what he says, and the country, knowing the man, will believe that he is doing it for the well-being of the Railways and the Merchant Marine and in the public interest.

Let me add one or two remarks to show the kind of man who is behind these charges and how he went about them. And let me say here that if there has been publicity in this matter, if money has been spent on investigation at Vancouver, if this matter has been discussed in this Chamber and in the newspapers, there is one man responsible for all the propaganda and publicity, and that man is President Thornton, and not the honourable member from New Westminster.

In the fall of 1922 my honourable friend communicated with the Canadian Government Merchant Marine at Montreal. He said to them, not as an enemy, but as a friend who wanted to do them good: "I have in my possession information which would indicate that there are irregularities in the management of your business at Vancouver. I am here as a friend to give you these facts, to help you look into them, and to aid you in punishing offences if there are offences." How was he received? Was he received as a friend? Captain Tedford said to him: "Stand back. We don't want any talk with politicians. We will not treat with you at all." I do not need to tell honourable gentlemen of this House who have been observing what has been going on since 1922 that there is a good deal of consorting with politicians on the part of the National Railways and the Canadian Government Merchant Marine; but when my honourable friend from New Westminster offered his services with the best of good-will, he was told that he would not be listened to.

But my honourable friend is not the kind of man who is easily turned back. Having failed with Captain Tedford, he proceeded to try Hr. Hungerford, who holds a high position in the System, and in February, 1923, he obtained a promise, through Mr. Page, that there would be an inquiry into these matters. If the National Railways or the Canadian Government Merchant Marine had accepted the friendship of the honourable member from New Westminster at that time and joined with him or made use of his co-operation for the purpose of looking into these matters, there would never have been one word of publicity about them. In a friendly way the honourable gentleman would have helped the Railway and the Merchant Marine Management, and they might have cleaned up the ground. After receiving this promise my honourable friend waited. He waited until August, 1923, and there was nothing doing. My honourable friend owns a newspaper, and if he had been pursuing this matter simply for the purpose of making a noise, he would have broadcasted the fact that he had made complaints to the Railways or the Merchant Marine, and that they had promised an investigation and were failing to make it. That would have been meat for a newspaper. Instead of doing that, my honourable friend remained silent—why? Because he was the friend of the System, trying to play a friend's part. Having received no response by August, he wrote again. He wrote once more in September: no response—after inquiry had been promised. Then, in October, he wrote to Mr. Hungerford, and he registered the letter to make sure that Mr. Hungerford would get it. In November he did get an answer. What was it? The answer from Mr. Hungerford was that President Thornton had decided that there should be no investigation.

As I remarked a moment ago, my honourable friend is not the kind of man who is stopped, even by so great a person as Sir Henry Thornton. He had undertaken this affair with good-will; so he persisted. He wrote to President Thornton, giving him all the facts in his possession. Was not that the conduct of a man who wanted to do the Railways and the Merchant Marine good? Was it the act of a man who was seeking to obtain political, party, or any other kind of advantage? He placed the whole situation before President Thornton. and the President at first said no. Then he said he would look into these matters.

My honourable friend waited again until January, and he waited until Februäry. Then President Thornton came back with a repetition of his ultimatum that there would be no investigation.

I want honourable members of this House to keep in mind the fact that President Thornton, after, as we presume, having had these trifling matters looked into, had in November

put down the lid. He now put down the lid a second time—told my honourable friend: "No investigation". Presumably President Thornton believed that his attitude was well advised and had made up his mind to adhere to it; but my honourable friend from New Westminster wrote him a letter in which he intimated that if there was to be no investigation by him there would be an investigation by the Senate of Canada; at any rate, he would ask the Senate of Canada for an investigation. What happened then, honourable gentlemen? A very few days brought back the reply from President Thornton that he would have an investigation made. In other words, he surrendered to my honourable friend from New Westminster when my honourable friend told him that the matter would be brought up in the Senate of Canada.

I want to repeat what I said a few moments ago, that if there is one man responsible for the publicity that has taken place in regard to this matter that one man is President Thornton and not my honourable friend from New Westminster.

When the honourable member from New Westminster asked for this investigation he stipulated that he should be present during any inquiry that was made. I think honourable members will agree that it should have been regarded as elementary that the man who made the charges should be given an opportunity to be present when the investigator conducted his inquiry. My honourable friend insisted on that in his communications with President Thornton. What would any honourable member of this House understand and expect in regard to an investigation after making charges such as were made by the honourable member from New Westminster? First that the man conducting that investigation would be an entirely independent person —a man above the disputants—a disinterested person; secondly, that the investigation would be judicial in its character and made under oath. That, I think every honourable gentleman will agree, would be the only kind of investigation which could be regarded as of any public value.

Now, what do we find? We find that President Thornton selects one of his own officials, Mr. Temple, Regional Counsel at Winnipeg, and sends him out to Vancouver to make any inquiry. We find that Mr. Temple so times the inquiry that my honourable friend from New Westminster had to be in Ottawa instead of having an opportunity of being present during the hearing of witnesses. We find that Mr. Temple does not examine anybody under oath, and that no evidence is given under oath. Then we find that this official of the railway goes out to the coast to make this investigation, knowing that President Thornton had decided that there should be no inquiries; that, as I understand, his senior legal officer, Mr. Ruel, had decided that there was nothing in the charges; and that President Thornton had caused it to be published in the press that there was nothing in the complaints of the honourable gentleman from New Westminster.

Mr. Temple, an official, goes out in this atmosphere, presumably to hold an independent and judicial inquiry, but knowing that the heads under whom he has to work and to whom he must look for promotion if he is ever to get promotion, have already decided that there is nothing in the charges and that they have already given judgment against the honourable member for New Westminster.

It is contrary to all understanding of human nature to think that this salaried official of President Thornton would go out to Vancouver with any other impression in his mind than that he was expected to bring back the kind of report that President Thornton expected and wanted. He could not do anything else without imperilling his position and his future promotion. And he had before him all the time the fact that Watson, the investigator, and also Thomas, both appointed by President Thornton, had reported matters which were not very savory, and had been summarily dismissed as soon as they had sent in their reports. So I say it is a fair conclusion that this Mr. Temple, the official of the Railways, had it impressed on his mind, whether voluntarily or involuntarily, that he was not going to get into the Watson or the Thomas class, but that when he got to the coast he would take good care that President Thornton got the kind of report that President Thornton wanted.

Now, let us pursue for a moment that attitude of Mr. Temple. Take this report of Mr. Temple's and read it through, and you will see how he discredits all the witnesses who give any kind of evidence in support of the charges of my honourable friend from New Westminster. This culminates in the latter part of the report, where Mr. Temple makes a final punch at Captain Boyd, and where he talks about the spirit of hostility evidenced by the testimony of Ferris and Ramsay, about money being promised to someone, about Edgecombe and framing up, and all that kind of thing. Then he links up the honourable member for New Westminster with this association of bad faith, hostility, framing up, and all that kind of thing, and he says that Senator Taylor's attitude is shown in his letter to the President of the 16th of

November, 1923, and so on—"I am not going to comment on those letters." The whole purpose of his comment is to show that the honourable gentleman from New Westminster is like all the others who had come before him—men of little character, men of little standing—men who cannot be believed. That is the attitude disclosed in the report of this man Temple.

Let me look at his own attitude. He had an interesting witness before him, a Mr. Amburn. My honourable friend from Ottawa does not think very much of Amburn. In that respect he differs from the honourable gentleman who is now Mr. Justice M. A. Macdonald, recently appointed to the Supreme Court of British Columbia, because Mr. Amburn was the protégé of Mr. Justice Macdonald when he was president of the Liberal Association at Vancouver. Mr. Justice Macdonald, then acting in his political capacity, was the man who had Mr. Amburn give his services to the Canadian Government Merchant Marine. That is the service that Tedford said would not touch a politician with a 10-foot pole.

Mr. Amburn, during the course of his evidence, went on to say to Mr. Temple that the people in Vancouver did not think that his investigation would amount to very much. Now, what do honourable members think was the response of this judicial investigator, Mr. Temple? If they will turn to the evidence, they will find on page 553 that this judicial investigator broke out in this statement:

> I do not care what they say: I am going to prove some people big liars, though, somewhere.

That is the frame of mind in which Mr. Temple proceeded to make his inquiries. On his own statement, he was out there to prove some people big liars, and of course he had in mind this gentleman whom he discredits, the honourable gentleman from New Westminister, who was to be the chief of liars according to the report of Mr. Temple.

I have mentioned as briefly as I could, honourable gentlemen, the facts in relation to Mr. Temple's visit to Vancouver. I remind honourable gentlemen that Mr. Temple so timed his arrival and the beginning of his inquiry that the honourable member from New Westminister had to leave his home to be here to attend the Session of Parliament. Then Mr. Temple had a free hand. That is what we wanted. He had Captain Boyd there. Captain Boyd is a worthy seaman, but, without the training of a legal man, Captain Boyd put up against the battery which confronted him would be a very weak vessel.

Let us look at the atmosphere that surrounded Mr. Temple, the investigator—a salaried official who was sitting on the bench as a judge. With him was Mr. Haffner, a lawyer taken out from Winnipeg to assist. There was Mr. Hannington, the Regional Counsel at Vancouver; there was Mr. Keeley, the Superintendent at Vancouver; and Mr. Tedford, the Superintendent from Montreal. This is the battery which confronted poor Captain Boyd, and which was conducting, or helping to conduct, this investigation behind the back of the honourable gentleman who had made the charges. Then, in the outskirts were the dock people, who were interested in suppressing the truth and in upholding the bolstered accounts. Then there were the bootleggers. My honourable friend would have us believe that there are no bootleggers in this country. I think honourable gentlemen in this House will agree with me that the bootlegger is known everywhere from coast to coast and if we are to believe what came through from Mr. Manson, Attorney General of British Columbia a year ar two ago, that province is particularly pestered with bootleggers. They were on the job because their interests were endangered. The honourable gentleman from New Westminster had a desire to prevent bootlegging on the Government ships, and the bootleggers, of course, were against him, so they were there to help Mr. Temple. In addition, there were the politicians. Mr. Macdonald was not then a judge: he was a politician. He was the head of the Liberal party in the province at that time, and I am credibly informed that while this investigation was going on behind locked doors every day, reports were received at the Liberal committee room in the city of Vancouver as to what was going on and as to the evidence taken.

Temple would never think of having a matter of that kind investigated, and that is why we should have a real, judicial investigation; and that is why my honourable friend is asking for a judicial and clean and independent inquiry. He is not asking this House to give judgment against anybody. He is asking for an opportunity to prove what he says is wrong, before an independent tribunal.

Behind the battery that was carrying on the investigation with the aid of Mr. Temple was the Publicity Department of the Canadian National Railways, with President Thornton giving out interviews and notices, as he did, that anybody who was convicted would be dismissed. So, the whole fraternity of bootleggers, politicians, dock people, and the people in the Merchant Marine Service were put on their guard by the notice that if anything was brought home to them, and President Thornton had them under his thumb, they would be dismissed.

Mr. Temple had a further assurance. In May, after my honourable friend had made his speech, President Thornton gave out the words: "We officials are going to stick together." Of course, he expected Mr. Temple to read that and to understand that it was to be his duty to stick to the President and that the President would stick to him; and that sticking together they would succeed in bearing down the charges the honourable gentleman from New Westminster had made.

In the same interview it was given out: "This is the season for mud-slingers." What was meant by mud-slingers? Who was indicated? Did President Thornton mean the honourable member for New Westminster—

Hon. Mr. BENNETT: Sure.

Hon. Mr. TANNER: —and other members of this House, who, in the discharge of their duty, were laying these facts before the country? Is it in keeping with the position of the President of the National Railway System of this country that the President should be sending out propaganda of that kind and designating honourable members of this House or any other decent citizens of this country as "mud-slingers?"

Hon. Mr. BENNETT: Read what he says.

Hon. Mr. TANNER: I have the document right under my hand.

Hon. Mr. BENNETT: Let us hear it.

Hon. Mr. TANNER: On the 17th of May, after my honourable friend had made his speech—

—he remarked that the open season for mud flinging at the railways was at hand. He suggested that a considerable number of adherents of mud-slinging tactics were not entirely disinterested.

That kind of thing, honourable gentlemen, does not comport with the dignity that should attach to the responsible and high position of President of the Canadian National Railways.

Now, honourable gentlemen, what have we from Mr. Temple? The honourable member from New Westminster spoke of him as "the voice of the President of the National Railways." The voice is written in this book of 100 pages and the 2,000 pages of evidence which has been submitted, not one word of which, let me say, is based upon sworn testimony. I am not going to take up the time of the House in going over the details which have been so well discussed by the honourable gentleman from New Westminster, but I am going to refer to a few incidents in the evidence and in the report which to my mind are convincing proof that there is need of a clean and thorough and independent inquiry.

Referring to the dock charges at Prince Rupert, I want to cite the evidence of an independent witness, Mr. Logan, who says very positively that the charges of the Prince Rupert Dock, included in this bill, are exorbitant. For instance, he says that $1,100 was charged for dock dues, whereas at Esquimalt the charge for a ship the size of the Farmer would not have been more than $400. He also says that several days were wasted. A man named McKenzie, who is an independent witness, also made a similar statement —that several days were wasted in moving the propeller, apparently because the men did not know how to proceed with the work, or at any rate did not take the necessary precautions of removing the packing from the propeller. I want to refer to the evidence of a man named Gibson, who was chief of the stevedore service, which was accepted by Mr. Temple. He is the man who came down and summarily dismissed Amburn, telling him, "you are through." Now, who is Mr. Gibson? He is the gentleman whom Mr. Keeley, the Superintendent at Vancouver, said was one of the bootleggers. Mr. Keeley had appointed one McDuffy, a detective, to look into this bootlegging business, and had given McDuffy special orders to watch Gibson and two other men; but Mr. Temple thinks that Gibson is a fine character, and he believed every word that fell from his lips. Mr. Keeley, however, does not think so much of him, but believes he is one of the chiefs of the bootlegging fraternity.

In regard to bootlegging, my honourable friend from Ottawa says there is no evidence of it at all. Mr. Temple also says there is no such thing as bootlegging. But Mr. Tedford, the gentleman from Montreal, says that on every steamer there was bootlegging going on, whether to a small or a large extent. Captain Finglass said the same thing. The constable at Ocean Falls said he had a great deal of trouble with the Farmer and other steamers on account of bootlegging. In regard to Edgecombe, whose word was accepted by Mr. Temple, there is evidence that he was in the bootlegging business, having on one occasion had three cases and on another five cases, and he was ultimately dismissed on account of his incapacity and improper conduct.

In regard to the work in the dock, there is the significant fact that Abraham, who is engineer on the steamer, was also on the payroll of the Dock Company, yet he was a man who certified to the $11,000 worth of work which was done by that company.

I am only rehearsing these few facts in order to show that there is real ground for a proper inquiry, a real investigation, not a superficial whitewashing investigation like the one Mr. Temple has made at the dictation of President Thornton and the railways.

Let me give one or two other items. This gentleman, in his report at page 36, speaking about drinking on the Farmer, says:

> There is no evidence except that of one Mr. Amburn, an ex-watchman, and Captain Boyd himself.

He makes the statement positively that there is no evidence to support the drinking on board ship in the mate's room; but it is only necessary to turn to page 602 of the evidence to find that that statement is absolutely untrue; that Mr. Pillsbury, the chief of the dry-dock, admits that he was in the mate's room drinking. Yet this man Temple attempts to deceive by making the broad and false statement that there was no evidence except that of Boyd and the man Amburn whom he discredits.

How are we going to accept a report of such an investigator as that? Even in dealing with minor points, he shows the spirit, the attitude, the intention, that runs all through his report—suppressing here, exaggerating there, telling a lie here, suppressing the truth in another place, all for a purpose—in order that he may go back to Winnipeg and be patted on the back by President Thornton and told: "Well done, good and faithful servant, go up a little higher; you have done your work well."

Not only is this man Temple guilty of these things, but he does not call Butler, an important witness. He says to Captain Boyd, "Why don't you call him?" What was Mr. Temple out there for? Was he not out there to hold an investigation? Had he not the funds back of him to pay the witnesses' expenses? Why should he ask Captain Boyd? The honourable member for New Westminster was the man who was making the charges, but he was conveniently side-tracked in making the investigation. Mr. Temple did not call Warren and Roy, two men who worked on the dry-dock, but he called another man, farther away than either of those men, Sheppard, no doubt because he had found that Sheppard could be fixed up to give the kind of evidence that he wanted; but the other men who were nearer at hand he did not call at all. I characterize that as the conduct of an investigator who was investigating with the fixed intention of bringing in the kind of report that the man who appointed him wanted him to bring in.

A perusal of the evidence will show how Temple even obstructed Boyd. For instance, Pillsbury had been examined at great length by Mr. Temple; and lawyers at any rate will realize how, when coming to a cross-examination, one may not be prepared to go on at once with it; and here is this seaman who wants to ask Mr. Pillsbury some questions, but desired a few hours to make preparation, saying, "I would like Mr. Pillsbury to come back to-morrow." But Mr. Pillsbury replies, "I won't be here to-morrow," and Mr. Temple forces Boyd to go on with his cross-examination. On other occasions he told him to stop asking questions. All through this investigation, as far as I could see, there was a spirit of obstruction, as well as the other spirit to which I have referred, on the part of this investigator.

Now, honourable gentlemen, I think I have given sufficient to show that, instead of this being a judicial inquiry, the investigation and report constitute a travesty on a judicial inquiry. It is interesting to see that Mr. Temple himself evidently feels that he is standing in slippery ground, for we find that it had been arranged in some way or other that a resolution would be passed by the regional officers of the Railways at Winnipeg. They met on the 11th June and passed several resolutions, one being to the effect that Mr. Temple had a splendid record as an upright, honest gentleman, impartial in all his dealings. The other resolution is as follows:

> And whereas, an attack has been made on the floor of the Senate reflecting on the honour and integrity of the investigating official prior to his findings having been tabled;
>
> Now, be it resolved, that this meeting of regional officers of the Canadian National Railways this day assembled goes on record as strongly resenting the unfair attack made against the gentleman who conducted the investigation, which attack not only reflects on his honesty and integrity, but likewise upon the honesty and integrity of every officer entrusted with responsibility in the operation of this railway.

I observe, honourable gentlemen, that they protest too much. We are not dealing with Mr. Temple in his private life, or in his private capacity as an official of the road. I am willing to concede that he is a very efficient officer of the road. We have nothing to do with that. We are dealing with Mr. Temple as an investigator. He has undertaken to discharge certain public duties. He may be a creature of circumstances; he may have fallen down because of the weight of President Thornton upon him. However, we are not dealing with him, and are not attacking his personal character in any respect, as an officer of the railway. But when he undertakes to make this investigation, and to send

in this report and the evidence accompanying it, we have a right to examine those documents, and to come to our own conclusions in regard to the propriety of his actions as such investigator, his reliability and the validity of his finding.

As for the officials generally of the Canadian National Railways, I have nothing to say against them. I recognize that, generally speaking, they are a body of fine, competent men; but this resolution appeals to me in this way, that Mr. Temple and his associates feel themselves very hard driven when they attempt to bolster up the report of this man by passing such a resolution as I have read, intimating that what is said in this Chamber is a reflection not only on Mr. Temple but on every official of the Canadian National Railways. That statement is like a great many others that have been made by Mr. Temple: it is not true. There is no honourable member of this House who would pass such a sweeping judgment upon the officials of the Canadian National Railways.

When an honourable member of this House makes a complaint such as my honourable friend from New Westminster made, we have a right to see that he gets a square deal in regard to his charges, and to see that the whole force of the Canadian National Railway officials is not massed against him; that behind his back evidence is not worked up to camouflage the charges or whitewash the accused. As I see it, this Chamber should say to those gentlemen that if there is to be an inquiry it should be of a judicial and independent character, and the honourable gentleman who makes the charges should have full opportunity of being present to hear what is being said, and to support the charges in the presence of the investigator.

The President of the Canadian National Railways at first stated that there would be no inquiry; then he said that there would be an inquiry; then, reneging again and saying that there would be no inquiry; and finally surrendering when he was told that the matter was to come before the Senate, and saying, "For Heaven's sake don't bring it before the Senate, and I will give you an inquiry." Having thus surrendered, he sent out his own official, who was undoubtedly overborne by the circumstances and conditions surrounding him, to take statements that were not made under oath, and to bring back the kind of report which my honourable friend has characterized, and to which I have briefly referred. I say, that, in submitting documents of that kind, with none of the qualities of judicial investigation, and all the vices of a whitewashing expedition, President Thornton has committed the greatest of bungles in the history of this affair.

I close my remarks by saying that on this side my honourable friend the member from New Westminster (Hon. Mr. Taylor) and my honourable friend from Midland (Hon. Mr. Bennett) are not asking this House to give judgment against anybody, or to decide anything. They only ask that there should be an independent inquiry before someone of a judicial and independent character, with an opportunity to the man who makes the charges to be present and substantiate them. I think that is the kind of British fair play which an honourable member of this House should receive.

Inasmuch as this matter has been so long delayed, and prorogation is practically in sight, and it would be therefore impossible, in my judgment, to cover the whole ground outlined in the motion of my honourable friend from Midland, I am going to move that his motion be amended as follows:

That paragraph (a) be struck out and the following inserted in lieu thereof:

(a) The failure of the Management of the Canadian National Railways and the Canadian Government Merchant Marine to properly investigate the statements and charges brought to their attention by Senator J. D. Taylor, as stated in his address to this House on May the 8th, of the present year.

And that paragraphs (b) and (c) be also struck out.

Hon. WM. ROCHE: Honourable gentlemen, I understood that there was a gentleman present who was prepared to speak on the subject of paragraph a; but having been invited by the recitation of the nautical experience of the gentleman who has just taken his seat, I would venture to make a few remarks on the subject of paragraph a, which this motion proposes to strike out. I may say that I have given close attention to the indictment which was presented by my honourable friend from New Westminster. It involves and states the most grievous charges that I think can be brought against officials—fraud, perjury, obtaining money under false pretenses, lying and all other crimes and misdemeanors that can be imagined. He has painted in the most sombre colours, worthy of John Martin, the deplorable condition of industrial and official life in Vancouver and British Columbia, about the dry-docks; and he has painted the officials also in the most sombre colours, worthy of Rembrandt or Van Dyke. Then, having so darkened their characters and reputations, he hands over the brush, with his Titian coloring, to my honourable friend, that he may dignify and embellish the portrait of Captain Boyd.

Apparently the steamer Canadian Farmer, of 2,500 tons or thereabouts, approaching a certain passage. laden with a thousand tons of coal in the stern and about three or four hundred tons of bunker coal, drawing about fourteen feet of water forward and nineteen feet aft, and running at a speed of about nine knots an hour, ran upon a reef called the Danger Reef, on the coast of British Columbia. I do not know the nature of the rocks in British Columbia—whether on this reef there are round boulders or whether it is a continuous level reef like that which would be made by slate rock or something of that kind; but apparently there was enough water on the rock to allow this ship to run over. If there had not been enough water she would probably have beaten in her forefoot, but she ran partially over this reef and brought up under the bilge. Apparently, then, it must have been about sixteen feet of water. The ship came off with more or less damage. Those on board certified that they heard three consecutive shocks. Honourable gentlemen who know the circumstances and condition of the ship ought to know that that would in all probability occur: the vessel would touch lightly, then more severely, and then perhaps bring up, or pass over the obstacle. The rate at which she was going and the water which she would bring with her upon the reef would probably make enough flotation to carry her over. This vessel was afterwards put into drydock.

It may not seem modest for a person to recite his nautical experience after the recitation by my honourable friend from Pictou (Hon. Mr. Tanner), but I have had twenty-one years' experience in an insurance office and have taken wrecks off the shore and done all sorts of things appertaining to vessel repairing or managing, or anything of that kind. So I contrast my experience with that of my honourable friend from Pictou in this respect.

The usual procedure is that in the first place the Captain makes a protest within twenty-four hours. He signs that himself, and he has to sign it before a notary. I have copied very many of these protests in my younger days. The next stage is that he makes an extended protest. He may not make that within twenty-four hours; he can make it some time after. It is very elaborate. In the case of a steamship the Captain must appear and give testimony; then the mate must appear and give his testimony; then the boatswain or some other petty officer; and, if there be damage to the engines, the engineer or someone in that department must also appear. They must all sign and take an oath before a notary as to the facts contained in their statements. Then the surveyors are called. They go to the ship and see the damages that have been reported. They cannot make a written report on the spot, and it is not supposed they do. They may make it at the conclusion of the repairs. They report finally in writing, but they may give verbal orders as to repairs, if repairs are necessary. Ultimately they certify that the repairs have been made according to their instructions.

After the bills are presented, they must go before an adjustor. My honourable friend did not disclose to us what was the nature of the insurance on this vessel—whether the particular average was 6 per cent, 8 per cent, or 10 per cent. The repairs to be paid for must exceed that percentage. But the bills, the protest, the report of the surveyors, and the extended protest go before the adjustor. He then divides the expenses—so much to the ship, so much to general average, if there be general average, so much to the underwriters, and so much to the owners. The bill is dissected by experienced officials, who have no interest whatever in mulcting any one of these particular persons. They divide according to the York-Antwerp rules the various sums that are to be paid by the different parties.

After all that, the protest, the extended protest, the report of the surveyors, and the adjustments, all go before the underwriters and they investigate. They are experts at investigating, and they will not pay any more than what is allotted by the adjustor, and no frauds can be perpetrated on them, because they have the statements of officials of reputation. They accordingly pay the amount which is laid to their charge.

Hon. Mr. BENNETT: Does the honourable gentleman say the insurance has been paid?

Hon. Mr. ROCHE: I did not say anything about it.

Hon. Mr. BENNETT: I understood the honourable gentleman to say it had been.

Hon. Mr. ROCHE: I said that the bills were put before the insurance company and they could investigate, and could object to them and refuse to pay them if they liked. And, I want to tell you, the insurance companies—I have been in the insurance business twenty-one years—are very expert and very sagacious, and they cut off everything which does not properly appertain to their liabilities.

I may say by way of illustration that I had at Halifax a steamer a little larger than this Farmer. She was 350 feet long. She went on shore at a place about ten miles west of Halifax, and after a day or two we took her off and put her into drydock. A large rock had gone through the bottom of No. 1 plate, and on both sides it projected. The pipes in the collision compartment were broken. About the place of this No. 10 plate, the side was torn off. On the bottom where she grounded the plates were indented, with holes all over them. At the side the bilge keel was all twisted up. I think the temporary repairs on that vessel cost $20,000. She belonged to the Standard Oil Company, and when she went up to New York they put her twice into drydock, and I am told that the repairs to her amounted to $300,000.

Now, take the drydock. I know a little about that, for I have spent days and nights underneath vessels in drydock. First of all, if the drydock dues correspond to what they are in Halifax—and I think Halifax is standard for moderate charges—the charge for putting into drydock is 20 cents a ton. On her tonnage of 2,500 tons, that would be $500. Again, for each day there would be a charge of 12½ cents per ton. Say she was in four or five days; it would be 50 cents a ton. That would be $1,200. If you add it together you will find it makes $1,750, which was not paid to the drydocks, but would be included in their bill.

Now let us take the labour. The labourers are usually paid $1 an hour. That is the rate charged in the drydock. A working day is eight hours. As the labourers work in the drydocks day and night, there is double pay for two further terms of eight hours each, making up the 24 hours. So, with the double time, you would have to pay $40 a day for every man employed. Yet the honourable gentleman tells us that the whole of that work could be done for $400. Imagine an honourable gentleman from Halifax who is experienced making a statement of that kind.

In the first place, plate No. 1 was taken out. I understand that the rivets were slack. The rivets being out would cause a considerable leak, and that plate would have to be taken off in order that it might be ascertained whether the pipes underneath, leading to the pumps, were damaged or not. Plate No. 10 was also taken off, because it was ruffled and indented, and also because it was necessary to ascertain whether the frames underneath the indentation were broken. Any surveyor would have such a plate taken off to ascertain whether the frames beneath were cracked or not. The classification man would not give a certificate unless it had been ascertained whether the frames underneath these indented plates were intact and capable of sustaining the weight or the pressure put upon them. Plate No. 10 and No. 11 also, which I suppose were under the bottom, had to be taken off in order to ascertain these facts and to take out the indentations that were in them. All the rivets around those plates had to be beaten out. I do not know how they do that at Collingwood. My honourable friend (Hon. Mr. Bennett) knows whether these rivets are put in by pneumatic force or not. If they are, they are probably bad rivets. Rivets of that kind ought to be hammered, particularly after there has been an accident and when there is any suspicion of weakening. All this takes time and costs money, but to be properly done the repairs ought to be executed in this way. So those two plates are accounted for. The testimony of some of the witnesses was that the plates were not taken out, but I observe in reading over the report that the plates were taken out, taken to a blacksmith's, heated and made straight; not exactly rolled. I do not know whether they had any roller or not. When they were brought back the plates were found to have shrunk. Whether it was that the plates butted upon the bulkhead or upon the angle irons which support the bulkhead I do not know, but if those plates were there the rivets which go through the plates would go also through the frames and support the bulkhead. If the compartment forward the bulkhead is weakened and a collision occurs, the ship may sink. Therefore this has to be very carefully attended to. The pipes which convey water to the pumps have to be carefully examined and repaired if they are out of order; otherwise the ship may sink if any accident takes place.

Now, with regard to the bilge keel, the ship I spoke of, the Potomac, had rolled somewhat on the boulders, and the bilge keel was twisted altogether out of shape and bent from its position. My honourable friend said that the Canadian Farmer could not have been bent up by rolling on boulders or anything of that kind, because she was seven feet up. If that bilge keel was seven feet up, she was the most extraordinary ship that ever was built. The floors of a ship are generally as flat as can be, and the bilge keel is at the turn of the bilge. A bilge keel seven feet up would show the most extraordinary dead rise of any vessel that ever was built.

Now I will go on a little further. I want to speak about the steering gear and about the other repairs that were made to the stern.

Perhaps these were not occasioned by this striking. The damage may have taken place on some other voyage or at some other time; I am not at all prepared to say about that. But from the report made it looks as if part of the damage was done by the ship passing over the rocks. I do not know whether the insurance company would allow an accumulation of small damages, because the nature of the insurance is not stated. But we know this, that on most ships the captain, when the ship goes into dry dock, endeavours to get as much as possible for the owners. They pay large premiums, and the captain wants to find all the damages that exist and to have them repaired at the time. The underwriters also allow this, because they want to have the vessel on which they take the risk in the best condition, so as to lessen the possibility of loss. The captain, as I say, usually tries to get all that he legitimately can for the owners. But in this instance Captain Boyd did not want to have all the repairs that the owners were entitled to, because the magnitude of the repairs actually made would injure him and magnify the loss that he had occasioned the owners by striking the reef. That is the reason why Captain Boyd endeavoured all through to minimize the extent of the damage that was inflicted upon the ship.

Now let me say a word about the officials who examined the ship and reported certain damage. I think, from what I read of them, that one was a respresentative of Lloyd's, one a representative of the Classifying Insurance, one a representative of the owners, and one a representative of the dry dock. I do not think that all the eloquence of my honourable friend from Pictou (Hon. Mr. Tanner) could bring the Senate to the conclusion that every one of those impartial officials, with high reputations, and with obligations to their companies, would descend, for the paltry bribe which it is insinuated was given, to perjuring and falsifying themselves, and endangering their positions and making themselves unworthy of the name of gentlemen and men for the purpose of damaging the illustrious Captain Boyd. I cannot credit the statement. I do not believe it. I believe my honourable friend from New Westminster (Hon. Mr. Taylor), out of affection and regard for his friend Captain Boyd, was led away from the facts of the case, and from the conditions which were involved. Thinking Captain Boyd might have been injured, he allowed himself to be led into this statement which involves so much discredit, so much damage, so much infliction upon men of high character who would not descend, I believe, to any such nefarious doings as robbing the insurance companies for the sake of the pitiful bribe held out. I do not believe it. I have known too much of these officials, and I have been through too many experiences to doubt that they would do just what would be required under the circumstances in fairness to the insurance companies and in fairness to the owners.

I do not propose at all to go into the subject of bootlegging. There was no bootlegging. My honourable friend from Pictou knows there was no bootlegging. A bootlegger is a man, so far as I have been informed, who goes about with liquor on his person and gives it to people to drink. The liquor in question, I believe, was carried on board the ship; and if it was carried on board the ship, it was in the possession of the stewards and others. Anyone with experience knows that the stewards on board ships are the most difficult class to deal with, because they all want to have some liquor, and they all want to sell some if they can—and they are specially tempted to do it now by the high prices prevailing.

Captain Boyd was an old deep sea captain. I believe it is the custom aboard sailing ships on long voyages, for the captain to be by himself in his cabin, perhaps with his first officer. He does not mix with the engineers or firemen or any of the others; he acquires secluded and reserved habits, whereas the engineers and others have a mess of their own. As everyone knows, the engineers and firemen like a drop of something soothing and a Scotchman is supposed to be a very uncanny fellow if he cannot offer anyone who comes on board a drop of Scotch. The convivial habits, maybe of the engineers, may have been observed by some of the witnesses. I do not know. Captain Boyd may not have approved of this fraternity, or the conviviality of one of the seamen. I do not know whether that is the case or not, because it has not been described exactly. But Captain Boyd said he was in an insalubrious atmosphere all the time; that the crew did not respect him, that they laughed at him, and that the officers opposed him and did not cordially co-operate with him. We know, and my honourable friend from Pictou knows, that sailors on board ship are very prone to regard and to be affected by anything that is ridiculous or humorous or out of the way; and when they saw Captain Boyd hopping about the deck, as is described, with a pair of cavalry breeches which he probably acquired overseas, perhaps they laughed at him. They are very humorous fellows, and they may have made songs

about him. But he should not have regarded that at all, because on these short voyages all these things may occur.

So, with regard to the actual repairs on the ship, the practical part—the amount of money that was to be asked from the insurance company, and the question of whether the repairs were actually carried out or not —I think it can be affirmed by any man who has an understanding of the way in which these repairs are managed, that there is nothing in that part of the indictment of the honourable gentleman. In regard to the other charges, I know nothing about the selling of liquor and that kind of thing in British Columbia—which I believe has a very bad reputation—it may all have taken place, but I believe there is no evidence of any creditable or reliable character to show that liquor had been sold on an extensive scale.

I would not have said a word on this subject had not the honourable gentleman portrayed to us his nautical experience. That tempts anyone who has ever been to sea, or who has had to do with vessels, to dilate upon his own experience.

Hon. Mr. WATSON: The honourable member from Lambton (Hon. Mr. Pardee) wishes to speak on this question, and has asked me to move the adjournment of the debate on his behalf.

The motion was agreed to, and the debate was adjourned.

DIVORCE BILLS

SECOND READINGS

Bill K6, an Act for the relief of Eva Laura Bell.—Hon. Mr. Haydon.

Bill L6, an Act for the relief of Peter Alexander Fawcett.—Hon. Mr. Haydon.

Bill M6, an Act for the relief of James Henry Cooke.—Hon. Mr. Haydon.

Bill N6, an Act for the relief of Beatrice F. Mastron.—Hon. W. B. Ross.

Bill O6, an Act for the relief of Herman Kleinsteuber.—Hon. Mr. Blain.

INSURANCE BILL

THIRD READING

Bill 175, an Act to amend the Insurance Act, 1917.—Hon. Mr. Dandurand.

LAND TITLES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 188, an Act to amend the Lands Titles Act.

He said: Honourable gentlemen; subsection 2 of section 25, which it is proposed to repeal, reads as follows:

No person shall be appointed registrar unless he is a barrister, solicitor, or advocate of at least three years standing of one of the provinces of Canada.

Section 27, which it is proposed to repeal, reads as follows:

No person shall be appointed deputy registrar unless he is a barrister, solicitor or advocate of one of the provinces of Canada.

These provisions make it necessary that the registrar under the Lands Titles Act be a barrister of at least three years standing; and that the deputy registrar be a barrister. There are very few barristers in Dawson at the present time, and for reasons of economy and efficiency, it appears to be advisable that the Gold Commissioner be made ex officio registrar. The Gold Commissioner is not necessarily a barrister, however, and could not assume office under the Act as it stands at present.

Hon. Sir JAMES LOUGHEED: Can my honourable friend say why it was necessary in the first instance to require this qualification on the part of the registrar? This is only applicable to the Yukon, I understand.

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Have they not the Torrens system of titles in the Yukon? If that be the case, one can appreciate the necessity of a legal qualification on the part of the registrar, inasmuch as, under the requirements of the Act, the Crown really guarantees the title; and, upon the issuance of a certificate of title by the Crown, in pursuance of the Act, the Crown becomes liable for the title. I am unaware, of course, of the volume of business done in the Yukon at the present time. I fancy it must be of a very limited character. Probably the extra salary paid to a registrar by reason of his being a barrister would be more than adequate to meet the risk taken in having a registrar without the legal qualifications.

Hon. Mr. DANDURAND: I am unable to give very much information to my honourable friend. I learn from the ex-Governor of the Yukon Territory that the Gold Commissioner, Mr. Mackenzie, has been there for the last twenty years, and is as well qualified as anyone to handle this business. I hope this may result in a saving in the administration of the Yukon.

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. Daniel in the Chair.

On section 1—qualification of registrar and deputy:

Hon. Sir JAMES LOUGHEED: Is my honourable friend aware whether the office has become vacant? Is it proposed to vacate the office so that the duties may be discharged by the Gold Commissioner of the Yukon?

Hon. Mr. DANDURAND: I have a vague recollection that there is a vacancy now. I think I saw that mentioned in the other Chamber, but I would need to verify that.

Hon. Sir JAMES LOUGHEED: All right.

The section was agreed to.

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.

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

CUSTOMS BILL (VALUATION FOR DUTY)

BILL RULED OUT OF ORDER

On the Order:

Second Reading Bill S5, an Act to amend The Customs Act (Valuation of Foreign Goods for Duty). —Hon. Mr. Reid.

Hon. Mr. DANDURAND: His Honour the Speaker was to give his decision.

The Hon. the SPEAKER: On the point of order raised on Tuesday, the 1st July, as to whether Bill S5, an Act to amend the Customs Act (valuation of foreign goods for duty), can properly be proceeded with in the Senate: inasmuch as the purpose of the Bill is to provide that the value for duty in the case of importations of goods, the manufacture or produce of a foreign country the currency of which is substantially depreciated, shall not be less than the value that would be placed on similar goods manufactured or produced in the United Kingdom, or imported from that country, it follows that if the Bill became law the amount of duty on such goods would be increased, which would amout to the same as imposing an additional tax; and by Clause 53 of the British North America Act it is provided that "Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons."

Therefore the point of order is well taken, and the Bill cannot be proceeded with in the Senate.

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

THE SENATE

Thursday, July 3, 1924.

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

Prayers and routine proceedings.

MANUFACTURE OF ALCOHOL IN CANADA

MOTION FOR RETURN

Hon. Mr. GRIESBACH inquired of the Government:

1. What are the provisions of Section 199 of the Excise Act?

2. How many notices have been given to the Government in the past five years on the part of individuals in Canada, of their possession and intention to use the utensils set out in the Act? The answer to be by Provinces.

3. How many prosecutions for illicit stills, or how many illicit stills for the manufacture of alcohol have been seized by the Customs Department in Canada during the last five years? The answer to be by Provinces.

Hon. Mr. DANDURAND: I suggest that the honourable gentleman transform his inquiry into a motion for a return.

The motion for a return was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill Q6, an Act for the relief of William Smith Scott.—Hon. W. B. Ross.

Bill R6, an Act for the relief of Rebecca Smolkin Koffler.—Hon. W. B. Ross.

Bill S6, an Act for the relief of Earl James Sharpe.—Hon. W. B. Ross.

TURTLEFORD-HAFFORD BRANCH LINE BILL

MOTION FOR THE THIRD READING—THE BILL REJECTED

Hon. Mr. DANDURAND moved the third reading of Bill 48, an Act respecting the Construction of a Canadian National Railway Line from Turtleford to near Hafford, in the province of Saskatchewan.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, consideration was given to this Bill in Committee, and while it was thought it possessed some merits, yet, in view of the fact that it represents an expenditure of $2,313,000, and that the building of this road may be safely suspended until next year, it was felt that we should not incur such an enormous expenditure, having regard to the many lines which have been approved for construction in the Northwest. I venture to say that the public interest would be best served by letting this Bill stand until next year. I therefore move:

That this Bill be not now read a third time, but that it be read a third time this day three months.

Hon. Mr. DANDURAND: Honourable gentlemen, when this Bill was up for second reading I had the honour of giving the following explanation, which came from the Canadian National Railways:

It is proposed in 1924 to add 43 miles to the already existing 23 miles of grade and to lay 45 miles of track, and 30 miles of ballast, at a cost of $966,000, and in 1925 to further grade 36 miles and to lay the track on the then remaining 57 miles of grade, and do 35 miles of ballast at a cost of $1,143,500, and in 1926 to add 37 miles of ballast thus completing the line to join the existing line near Hafford.

The 23 miles of grading now completed was started in 1920 and completed in 1921. Beyond this no other work has been done on the line.

The district through which the line runs is generally rolling, with timber in places of small sized poplar in bluffs with prairie openings. It is a largely mixed farming area, but a considerable portion of the land is susceptible to wheat raising. The land is mostly taken up and there is considerable development, particularly in the vicinity of Meeting Lake, or approximately half-way between Turtleford and Hafford.

The justification for this line is that there are a large number of settlers in its vicinity now such a distance from railway facilities that the road haul on their products is so excessive that it is almost prohibitive. It is estimated that this line will produce on an average 2,400,000 bushels of grain each year, besides 800 cars of freight in and outbound, consisting of live stock, coal, lumber and merchandise. About 32 miles on the average would be saved the farmers in their road haul on the 2,400,000 bushels of grain, which it is expected this district will produce annually, and if this is taken as being worth ¾c. per bushel per mile hauled, it would make an annual saving of $576,000 to them for haul on their grain alone. There is invested at present $207,200 on the right of way and grade, which is earning nothing. The business obtained from this line will mostly be subject to long haul, and thus contribute considerable business to other lines of the system.

This was the explanation I brought to this Chamber. It will be recalled that the Ministers now in this Chamber, who sat in Council in 1920 and 1921, declared that this was a good line to build, and proceeded to have it graded. It is for them now to say whether or not they then erred in their judgment. But I may say that after I read this statement in Committee we looked up the map and called in the engineers. There were present members of the Senate who knew about this territory, and at times members of the other Chamber; and the Committee came to an almost unanimous conclusion that this was an important line to build and that the judgment of the members of the Cabinet in 1920 and 1921 should be ratified. This Bill is now before us with the sanction of the Committee on Railways. It strikes me as strange that, after a Standing Committee of this House has studied this proposal and reported upon it, we should now have the suggestion that this line should wait. I have no objection to delaying it if the people in the district, or the Senators from the Province, who know about it, feel that it should wait; but the Railway Committee did not come to such a decision, and I intend to test the opinion of the House as to the merits of the proposal. If, after hearing the evidence and studying the question at all angles, the Railway Committee concluded that the proposal was a good one, in the interest of Canada, that it would not only afford relief to the population in that district, but also increase the freight for the long haul and improve the returns on the whole system, I say that the Committee's decision should be adhered to.

I present the case without any passion. I know nothing about the territory except what I have learned in Committee. I went into that Committee knowing hardly anything of any except one branch among the twenty-six; but, after listening to the evidence and the arguments set forth, I came to a conclusion which I am not willing to change unless the honourable members of this House who are specially informed on the district take the responsibility of assuring me that we could well afford to delay the construction of this line.

Hon. G. D. ROBERTSON: Honourable gentlemen, just a word by way of replying to one or two comments that my honourable friend has made with reference to the previous Government having approved of the grading of a portion of this line, and also regarding the recommendation of the Railway Committee.

As to the first matter, I wish to point out that a substantial amount of grading was done in 1921 or authorized in that year to be done in 1922, for a particular purpose; not because this line was at that time so imperatively needed, but because in 1921 there swept over this country a depression and the Government of that day was attempting to provide all the employment possible, and therefore entered upon some works which, it was expected would be finished at some time in the future, though they were not regarded as absolutely imperative at the moment.

This particular route lies in the far northern part of the Province of Saskatchewan, so far as settlement is concerned. The district is no more thickly populated or in need of a railway at the present moment than many other localities. An expenditure of over $2,000,000 is involved, and when we remember that the liabilities of our National Railways are over $2,000,000,000 and that the aggregate deficit on them to date is $285,000,000 or nearly equal to the whole national debt before the war, we realize how fitting it is to consider carefully before authorizing further capital expenditure that is not shown to be entirely necessary.

As to the other point that my honourable friend mentioned, with reference to the Railway Committee, I would call the attention of honourable gentlemen to the fact that the Committee did not make any recommendation in reference to this Bill, but reported it back to the House without recommendation; which fact, I think my honourable friend has omitted or forgotten.

Hon. Mr. DANDURAND: I will not admit that.

Hon. Mr. ROBERTSON: I am sure that every member of the Railway Committee will remember that that was the situation.

Hon. Mr. DANDURAND: Oh, no. There was a vote on such a proposal in regard to the Kingsclear Branch. That was the only one as to which the reporting of the Bill was challenged.

Hon. Mr. MURPHY: On division.

Hon. Mr. DANDURAND: We approved of a certain number of Bills, among which was this one, and when after two or three weeks' study of these various Bills we started to move that the Chairman do report the Bill, there was, as to one Bill, and one Bill only—

Hon. Mr. ROBERTSON: Oh.

Hon. Mr. DANDURAND: Well, I stand to be corrected. As to one Bill only, the Kingsclear Bill, the proposition was made that the Bill be reported without any recommendation. I objected to that form of motion, and the proposition was rejected. The Kingsclear Bill came to this Chamber with a recommendation from the Committee, just as did all the other Bills. I think my honourable friend's memory is at fault when he declares that we did not recommend the present Bill.

Hon. Mr. ROBERTSON: My honourable friend and I may have an honest difference on this point; but my recollection—and it is a very vivid one—is that when we set out to adopt a recommendation in reference to the first Bill before the Committee, it was decided that all of these Bills should be reported to the House without recommendation.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. ROBERTSON: As my honourable friend may remember, that decision was carried on division in the Committee.

Hon. Mr. DANDURAND: On the Kingsclear Bill.

Hon. Mr. MURPHY: Oh, no; on several.

Hon. Mr. ROBERTSON: And time after time, as succeeding Bills came up, one honourable member of that Committee, whose voice is always distinctly heard—I need not name him, but he is in the House now—almost invariably said: "Carried on division."

Hon. Mr. DANDURAND: Ah! That is something else.

Hon. Mr. ROBERTSON: Consequently I assert that it is not correct to say that the Committee were unanimous in any report made to this House on this Bill.

Hon. Mr. DANDURAND: I am not discussing that.

Hon. F. F. PARDEE: Honourable gentlemen, it would appear to me to be a great responsibility for this House to take upon itself to reject a line such as this upon which so much work has been done. The honourable member who has just sat down states that this line was projected along with other lines that were not absolutely necessary, at a time when there was a great need of employment in Canada. Taking that statement just as it stands, what does it mean? There must have been some reason impelling the Government to build a line in this particular district. It must in some way have been a necessity. By deciding upon that course, they said to the people: "Here we come; we are going to give you a road, and on the strength of the road being built we invite you to come in here, take up homesteads, and go on with your work". After the people's expectations have thus been raised, a portion of the work has been done, and the Canadian National Executive in their wisdom see fit to come and ask Parliament to enable them to complete this work, which was undertaken in the first place by the late Governement, surely it is hardly fair to the country and distinctly unfair to the people who have gone into that district under an implied promise that they would be given railway accommodation, to tell them at this stage: "No; you must wait for another two or three years." The amendment does not mean that the project is simply deferred for six months: it means that the road cannot be completed inside of two years.

The whole situation impresses me in this way. I think we have never heard so much said about our not filling up our vacant places as we ought to fill them. This has been reiterated in season and out of season, in this House and in the country. We have started a line in that district, and have said to the people: "Come in here and fill up our country and occupy this land, and we will provide you with facilities to enable you to carry on your business." Then, after we have given an

implied promise that if they did come this railroad would be built, and after we have partially implemented that promise by grading twenty-one miles, surely it is only fair to those people and to the country that this House should place no obstacle in the way. The promise given to those people should not be broken, but should be carried out, for their benefit and for the good of the country.

Hon. H. W. LAIRD: Honourable gentlemen, the reasons given by the honourable leader of the Government for the third reading of this Bill are sufficiently full and require no further argument on my part as to the necessity for the construction of this road. I take it that the objection which has been made by the honourable leader on this side of the House is not that there is no necessity for the construction of the road, but rather that it is not necessary to proceed immediately with the expenditure of this large amount of money.

I cannot add anything to what the honourable leader of the Government has said as to the necessity for constructing this road, except perhaps a local touch. Coming as I do from the Province of Saskatchewan, I am fully conversant with the territory through which this proposed road runs. Having been as far as Turtleford on a number of occasions, I have a knowledge of the local conditions. I know that for many miles beyond the rail end on that proposed line settlers have gone in, not one or two, but five or ten years ago, and have opened up that country to cultivation and are producing enormous quantities of grain from year to year. We have the official statement of the Railway authorities that 2,400,000 bushels of grain are grown in that area, and are ready to be transported by the railway when it is built.

Hon. Mr. BRADBURY: How far do they have to haul it at present?

Hon. Mr. LAIRD: On the average, thirty-two miles.

Hon. Mr. MURPHY: Those are the farthest away.

Hon. Mr. LAIRD: I am giving the average haulage as stated by the railway officials. The Turtleford district has been occupied by settlers whom this country has invited to go in there. Is it necessary to present any argument other than to state the existing facts? The objection taken is to my mind not well taken. It goes only to the extent of declaring that this road should not be constructed at the present time, but should be delayed for a year. I invite my honourable friends to go out into that country and tell those people who have been waiting for railway construction, not for one, two, or five years, but for eight or ten years, that there is no necessity for this line at the present time, and that they should wait for another year or two and content themselves with present conditions. I can imagine the answer that would be given from one end of that area to the other to any such suggestion. If this country is going to invite people to go and occupy land in the vast stretches of Western Canada, then it is our duty to provide them with the necessary means of transportation for the goods which they produce as a result of our invitation.

I think no further argument need be added to what has been stated by the honourable leader of the Government. I do not think the objection taken by the honourable leader of the Opposition is well founded. If we are going to build this road at all, we may as well build it now as a year hence, and thus relieve the people of that area from the handicaps which they have had to endure for so many years. If we are to give them any relief at all, why not give it at the present time? The business management of the Canadian National Railways recommend the construction of the road, they are prepared to operate it, and I think this House would be well advised to pass this Bill, as the people of the province of Saskatchewan expect and demand it.

Hon. J. A. CALDER: I do not wish to record a silent vote on this question. I agree with everything that has been said by the honourable Senator from Regina (Hon. Mr. Laird). I know this territory very well, having been through it many times, and if this Bill is defeated there is no reason why every Bill relating to the province of Saskatchewan should not be defeated. There is as much necessity for the building of this line in that territory as there is for building any line in the province of Saskatchewan. I say that advisedly, knowing the conditions. As the honourable Senator from Regina has said, that country has been settled for from 5 to 15 years. I doubt very much if there is a single homestead left in that entire area; the whole country is divided into school sections and municipalities, and is very largely under cultivation. I do not agree with the principle enunciated in opposition to this Bill. We should not be afraid to spend money in building railways if they will pay. These various Bills provide for an expenditure of from $20,000,000 to $30,000,000, and some honourable members hesitate to spend that money—why? Because they do not wish to increase the capital expenditure on the Canadian National

Railway System. But, after all, that is not the point. That System cannot stand still, and there is only one way to make it pay, and that is to increase the traffic; but the traffic cannot be increased unless the country is populated.

I intend to vote for this Bill. This line is as deserving of being built as any other in the West, and I see no reason why its construction should be postponed for another year.

Hon. GEO. LYNCH-STAUNTON: Honourable gentlemen, every Bill that I have heard discussed stands in the position in which the last speaker placed this one—the most important in the province. I quite disagree with the principle that it is the duty of this Dominion to build railways in all the provinces. That is not our duty: it is the duty of the provinces. I understand that we are invited to pass these Bills on the ground that the lines for which they provide are necessary to the rounding-out of the Canadian National Railways, not on the ground that they are necessary for the development of the individual province.

I come from a province in which we have many areas less well served with railways than is the province of Saskatchewan. If honourable gentlemen will look at the map of Ontario they will see how true that is. Along the lines of railway in Saskatchewan there are millions of acres of land unoccupied—not even taken up; and yet we are told that it is our duty to build a railroad for people who went into a country 15 years ago and settled 30 miles from the railroad. What obligation to them did we assume? They could have gone into the unsettled lands along the lines of the railroads, but they chose recklessly to go to remote parts of the province, and then they demand that the other provinces should pay the cost providing them with railroads.

Now, I wish to make one or two personal remarks. I approach the consideration of this programme as far as I can with an open mind and a sincere desire to vote in favour of any proposition made by the National Railways which commends itself to me. I should not be asked to vote for a railroad or an extension which does not commend itself to me, and I am entitled, in order that I may make up my mind, to have all the evidence and all the reasons placed before me. A few days ago I saw in one of the newspapers a statement or an insinuation that six members of this Senate were shareholders in the Canadian Pacific Railway, and that because of that fact they were obstructing without cause, except unpatriotic and personal selfishness, the construction of these branch lines. I was named as one of these members. Now, a great newspaper which considers itself to be one of the leading papers of this country should at least have learned the facts before endeavouring to besmirch the character of any public man, or indeed of any citizen. The gentleman who wrote that article was in this House and I was in this House. Was it because he was afraid, or that he knew that I had not been a stockholder of the Canadian Pacific for 25 years? I am told that he writes from Ottawa what his newspaper requires him to write. Was that why he wrote that scurvy libel on members of this Senate?—for it was a scurvy libel; it was an unfair, unmanly and ungentlemanly thing to do.

These newspapers ask us to listen to their editorial advice, and if they think that we can be improperly influenced to vote against the wellbeing of our own country because of our personal interests, surely we may look around and inquire whether or not these advocates of unlimited expenditure are themselves disinterested. This thought was passing through my suspicious and malicious mind yesterday when I picked up the Hansard of the House of Commons and saw the statement made, in answer to a question, that $1,600,000 a year was spent on printing and advertising. I ask this gentleman now, is there one of those newspapers which day after day pour forth their histrionic indignation on the Senate that is not in receipt of hundreds or thousands of dollars of the country's money? I always find that those papers which are getting handsome cheques are the ones that are the most abusive of the Senate. They remind me of a friend of mine who took a clergyman from Montreal to listen to a well-known minister in Hamilton, a very learned and eloquent man. When the visiting clergyman came out of church after hearing the sermon, in which the doctor was very vehement in his denunciation of sin and very eloquent in his protrayal of virtue, he was asked how he liked the minister. "What might the salary of the minister be?" he asked. He was told that it was $4,000—and in those days that meant real money. The visitor commented: "$4,000? Well may he prance and dance." So I say, well may those papers prance and dance when we see how much they get per year.

Honourable gentlemen, if I were a shareholder in the Canadian Pacific Railway, and wished to deviate from my public duty, I should vote for every one of these railways. I should vote to load this Canadian National Railway System with every dollar of expenditure that I could possibly put upon it. Why, it has been the salvation of the Cana-

dian Pacific Railway that the Government took over this enormous liability, because rates cannot be lowered on the C.P.R. without their being lowered on the C.N.R.; yet if we lower them on the C.N.R. we will lose $100,000,000 instead of $50,000,000 a year. So it is the greatest godsend to the Canadian Pacific Railway that Canada owns the Canadian National Railways, and I think that if Mr. Beatty were to speak his thought on the matter he would say, "Speed the plough, increase the expenditure." I tried to find out from those who were in very high authority on the Canadian Pacific Railway what their views were on these branch lines, but I got in reply a long letter which showed that they had no views to express. They would not commit themselves to anything; they would not give me any information whatever. Why, they want the expenditure to be made; they want us to load ourselves with as much cost as possible. I should so regard the matter if I were a shareholder in that Company. The increased capital cost increases the national liability, and the increase of our national liability demands the keeping up of rates.

But I have an interest in this National Railway, as much as anybody here. I have numerous relatives living in that western country, and I have received letters from them since the tariff changes were made, saying, "These tariff changes are no good for us." One brother wrote to me: "I buy a reaper only once in ten years, but I am trying to ship cattle and grain every year, and the enormous cost of the railway makes that utterly impossible, and it is making us bankrupt." Those western people are not deprived of markets because they have no railway facilities, but rather because they have too many railways, for the cost of operation of those roads is so enormous, and the extravagance of the railway management so great, that they cannot hope to send their grain at a profit to any foreign country.

This National Railway has spent $400,000,000 on equipment since taking possession; and look at the equipment. It is the finest and most expensive that can be bought. The National Railway has been equipped far better in same respects than the New York Central Railway, which runs through a great populous country. As I said here once before, it is like a man who built a hotel such as the Chateau in a village. We are building that railroad and equipping it to a standard far beyond its requirements. We are buying hotels, spending for one in Paris $3,000,000, and we are going to spend another million on that one, while the people are groaning—

groaning is not an extravagant word—under the weight of the cost of management and running of that railroad. The expense to which we are being put in the management of the Canadian National Railways is appalling, yet nobody says anything. Has one of those newspapers which abuse the Senate for endeavouring to curtail these expenses and to bring them to public notice, raised its voice against that scandal of scandals, the purchase of that Paris hotel?

Now I come down to the matter at issue. We were told by the President of this railway, in a letter to the Government, that all of these branches were not needed. Here is what he said:

> Appertaining to the Canadian National Railways branch line programme for which you are submitting enabling Bills to Parliament, appended hereto are statements with reference to each line, which set out the purpose and justification for each.

Each of those lines is enthusiastically advocated and recommended to us, and here is what follows:

> While it is true that all of those lines may not be entirely justified from the present railway economic standpoint, particularly if viewed from their first few years' operation, broader grounds must be considered when preparing a system of feeders for a railway.

This makes it plain, as any one can see, that the President has had pressure put on him in regard to railways which he does not want to build. I put this question to the railway representative in the Committee: "There are several of these lines which your President thinks should not now be constructed; will you get me the names of those lines?" He promised to do so, and at a subsequent meeting I asked him if he had the names, but he replied that the President would not give him the names. Some people may say that that paragraph in the President's letter does not bear the interpretation I put on it; but taken in connection with the inquiry which I made of the railway's representative, and the answer I received, it is as clear as noon-day that that is what the President meant. He also gave his entire approval to other branches which his own representative, under his authority, told the Committee were not now needed, and which he did not recommend for consideration. The Guysborough road was recommended in this letter, and pretty nearly got through the Committee, but some members raised so many objections that it was put over, and I am told that last night Mr. McLeod said he could not recommend it at all. That was a road which the President had recommended to us, as I say, under political pressure, but which the man whom he sent to the Committee to champion its construction admitted should not be built.

Hon. Mr. DANDURAND: I desire to correct my honourable friend's statement. Mr. McLeod said he was ready to recommend the first 25 miles of the road.

Hon. Mr. LYNCH-STAUNTON: That is the same excuse the girl gave for the little baby. He recommended a line all the way down to Guysborough, and yet, when he put his name to the letter, he knew he did not want it at all. Now, I ask you, ought we not to be suspicious, and ought we not to try every possible means to uncover the real facts of the case? There are other roads here which it has been admitted are not now required. The Railway Company has intimated that it does not want to build them, and yet they are pressed along.

Hon. Mr. DANDURAND: I do not like to interrupt the honourable gentleman, but as every one of these Bills will come up for review, could not my honourable friend give his opinion on the one which is now under discussion?

Hon. Mr. LYNCH-STAUNTON: I thought I had sufficiently tired the House, and in order not to speak any further on any of the Bills I went on in a general way.

From what I have heard elsewhere, and from what I have heard here, I do not see any justification for the building of this road. If it should be built at all, it should be built by the province of Saskatchewan. Why not, if it is sure to pay? You must remember this, honourable gentlemen: the province of Ontario is the biggest burden-bearer in the Dominion of Canada, and we in that province have to shoulder our porportion of the cost of this road, which does us no good at all.

Hon. Mr. SHARPE: If Saskatchewan builds the road, who has the right to control the rates on it after it is built?

Hon. Mr. MURPHY: The Railway Commission.

Hon. Mr. LYNCH-STAUNTON: I understand that where the local Government builds a road it controls the rates. I say that subject to correction.

Hon. Mr. CASGRAIN: If it is a local charter, the local government controls its rates.

Hon. Mr. LYNCH-STAUNTON: But I will tell you who does control the rates. The rates are controlled by the workmen on the railway. No one else has any power now. The workmen own the railway and they control the rates, so you need not worry about that.

It is attempted to justify the building of this road on the ground that these people are in that territory. But Canada never promised them a road at all. In fact, when they went in there, Canada was not undertaking the building of any roads.

Hon. Mr. WATSON: Oh, yes.

Hon. Mr. LYNCH-STAUNTON: Except that magnificent success, the Transcontinental. At all events, I submit that we are not bound to build every road that is asked for. Why, I saw a Bill passed the other day to build a road for two hundred settlers who had been in the district for twenty years. To my mind that is a wrong principle, and one on which I am not going to act by voting in favour of the Bill.

Hon. F. L. BEIQUE: Honourable gentlemen, may I be permitted to explain why I do not propose to vote on this Bill? I do not believe that the Canadian Pacific Railway is interested, and, although it is in that territory, I do not think it would be affected. But, as I am one of the members of the Board of that Company, I propose to do as I have done on other occasions, and abstain from voting lest people might think I was influenced in doing so. So far as every member of this House is concerned, I feel that I could do so with safety.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BEIQUE: I desire to say that the reasons which have been given by two honourable Senators for the building of the road—and this applies not only to this Bill, but to a number of others—do not appeal to my mind. What I refer to is this: that the people who have gone into that territory have been expecting a railroad, and that they are entitled to railway service. Some ten or twelve years ago I was a member of a very important committee on agriculture. To that committee resolutions were sent by the Boards of Trade of Calgary, Edmonton, Regina, and other places throughout the West, calling our attention to the mistake which had been made by Governments in the past in opening up the Northwest to colonization in all directions, and saying that the mistake which had been made in the past should not be continued, and that in the future care should be taken to open up territory only as the territory already opened was colonized and settled.

If I am not mistaken, this Bill refers to a territory of this kind. I think it was shown before the Committee that the part of the territory where the railroad is to be built is inhabited to a certain extent. But it was intimated to the Committee—not only in re-

gard to this Bill, but in regard to most of the Bills which were considered for a long time by the Committee—that we must be prepared to build railways to serve the Northwest as it is opened. If I understand correctly, it was suggested that a fair distance for settlers to be from a railway was about 10 or 12 miles. There is a territory there, if I am not mistaken, of some 100 square miles in extent. We may expect, then, to be requested to authorise the building of several railways, all paralleling one another at a distance of some twenty miles, in order that the inhabitants may not have to go more than 10 or 12 miles to reach a railway. It occurs to me that if we are to follow that course, after we have invested in the National railways over $2,000,000,000, we must be prepared to double that amount, and possibly wreck the country. For my part, I am not disposed to accept that principle. I think it is necessary to impress upon the Government the necessity of closing the door to demands of that kind.

I have followed with a good deal of attention almost every sitting of the Committee on these Bills, and I am not satisfied that we have been or are proceeding in a businesslike way. The Committee was confronted with not only one or two, but some twenty Bills involving an expenditure of some thirty or forty million dollars. Opinion in the country is divided in regard to these Bills. Part of the opinion is in favour of the Bills, and another part, and maybe the major portion, is opposed to the building of these railways, because of the present financial condition of the country, and because we have already too many railways on our hands. I suggested privately to the honourable the leader of the Government (Hon. Mr. Dandurand)—he has not deemed it advisable to follow my suggestion, no doubt for what he believes to be good reasons—that if we were intending to proceed in a businesslike way, we had a right to expect from the officials of the Canadian National Railways, over their own signature, some justification for our voting for each of these Bills. The honourable gentleman, no doubt, will refer me to the statement which he read. You will see that the statement justifies the building of the railway, not because it will pay, but because the people in the locality are demanding it. If we are to accede to all such demands, we must, as I have already said, be prepared to expend a very large amount of money on railways. I think that what we should have required before passing any of these Bills is a declaration over the signature of the President or some responsible official, giving the reasons in ten lines why we were asked to authorize the construction of the railway—stating whether it was because of the population, whether it was a railway proposition, or any other reason which might be given. For my part, I feel that we are not fully discharging our duty; and when I have occasion to vote on these Bills, and the C.P.R. is not concerned, I shall consider myself perfectly free to vote either for or against them, as I deem proper.

Hon. A. B. GILLIS: Honourable gentlemen, I was not a member of the Committee, and consequently had not the same opportunity that some other gentlemen had of going into the Bills relating to the various branches that came up from time to time However, I paid a great deal of attention to this particular Bill, and from my general knowledge of the country, I think it would be most unfortunate if we were to turn it down. There are three reasons for that. In the first place, part of the line is already graded and the whole of it is located. That in itself is an inducement to settlers to go into that part of the country and cultivate the land. Another reason is that we should keep faith with those settlers who went into that country and provide them with proper railway facilities. The third reason—and I think it is probably the most important from the railway standpoint—is that this will be a paying proposition from the very start. The country is well settled; it is a good mixed farming community where a great deal of stock and grain could be produced, and in my mind there is no question that it would pay from the start.

If we delay the Bill for another year, it means a delay of practically two years in the building of the road, because the best season for building these lines in the early spring, when labour is cheaper. In the autumn, when the harvest is on, it is somewhat difficult to secure labour; but if the road is built in the spring, it helps the farmer and it helps the railway. For that reason I feel that I must oppose the amendment moved by the honourable leader on the other side.

Hon. ROBERT WATSON: Honourable gentlemen, the honourable member for Hamilton (Hon. Mr. Lynch-Staunton) has stressed the idea that the province of Saskatchewan ought to build its own railways. Honourable gentlemen must not forget that the province of Ontario controls its own natural resources, whereas the natural resources of Saskatchewan belong to the Dominion.

Hon. Mr. MURPHY: But they have subsidies.

Hon. Mr. WATSON: The statement was made in the Railway Committee, and it has been made in the House as well, and has never been contradicted, that every branch line in Saskatchewan pays.

Hon. Mr. LYNCH-STAUNTON: Mr. Ruel said there was a deficit ever since the war.

Hon. Mr. WATSON: I know my honourable friend had a dream that Sir Henry Thornton had made a statement of that kind too, but he has never had any proof of it.

Hon. Mr. MURPHY: Mr. Ruel said in answer to a question put by myself that there was a deficit on all the branch lines in the Northwest.

Hon. Mr. WATSON: I heard the statement, and the only road pointed out was the road to Hudson Bay.

Hon. Mr. MURPHY: He said there was a deficit on the total mileage.

Hon. Mr. WATSON: No, he did not.

Hon. Mr. MURPHY: I beg pardon: he did.

Hon. Mr. WATSON: With regard to the necessity of building this road, it has been said that the portion of country it would serve produces 2,400,000 bushels of wheat. It has also been stated that the present average haul there is some 32 miles. What does that mean? It is not a matter of a few cents a bushel to the farmer in marketing his wheat, but about 30 cents a bushel. A team cannot make that haul more than twice a week and will not haul more than 60 bushels to the load. If you shorten the distance to 12 miles, a team will haul a load a day and 70 bushels to the load. You can see what this means.

Hon. Mr. BRADBURY: Does the honourable gentleman suggest that the farmers should never be more than 12 miles from a railway?

Hon. Mr. WATSON: I say that economically it would pay the Government of Canada to build roads in a wheat-producing country so that a farmer will not have to haul his grain more than 12 miles. That has been demonstrated in Saskatchewan. You have only to figure the cost of hauling the wheat. Allow a farmer $5 a day for himself, and for his team—

Hon. Mr. MURPHY: Is not a large amount of this wheat hauled by 3- or 4-ton motor trucks?

Hon. Mr. WATSON: No. I venture to say that not a bushel of wheat is hauled by motor truck. It is not practicable.

Hon. Mr. BENNETT: Does the honourable gentleman say that there are no trucks used for transportation of grain?

Hon. Mr. WATSON: Not that I know of.

Hon. Mr. BENNETT: The honourable gentleman's knowledge may be limited.

Hon. Mr. WATSON: It is not very limited either. I venture to say that no honourable gentleman in this House knows of it.

As has been stated by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis), the carrying of this amendment means a delay not of one year, but of two.

One feature that I want to stress is that the railway is right in asking for a three-year programme, because the time to do the grading is early in the season. As that time the farmers are available for the work, instead of a big contractor employing a gang of Italians, and not a cent will leave the country as would be the case if the railway were limited to a one-year programme. Take this year, for instance. We are now in the month of July. The votes that pass this year will be of no use this year; the railway will not build a mile of road. It may lay some tracks on the grades that are already there.

Hon. Mr. ROBERTSON: Then there would be no loss if this were laid over.

Hon. Mr. WATSON: There would be two years. The people who have gone into that country on the strength of the promise of a railroad have not all been there for seven or eight years; a number of them have gone in during the last two or three years, since the road was graded. I say you should not break faith with those people who have settled there with the expectation that the railroad would be built.

There is no doubt in my mind that the three-year programme is the proper one. It makes it possible to get efficient labour at the right time. We do not want the contractors to be asking for men for railway construction when they ought to be engaged in harvesting wheat. Tens of thousands of men have to be brought into that Western country at harvest time. We want all the labour we can possibly get to help in the harvesting. The grading should be done early in the season, but it cannot be if it is necessary to wait until the appropriation for the building of this road is passed.

I trust that the House will not vote for the amendment, but will allow the Canadian National to proceed with the construction of the railroad as promised, and will give hope and confidence to the people who have settled in that country.

The amendment of Hon. Sir James Lougheed was agreed to on the following division:

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ROSEDALE BRANCH LINE BILL

THIRD READING

Bill 61, an Act respecting the construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly in the Province of Alberta, as amended.—Hon. Mr. Dandurand.

HANNA-WARDEN BRANCH LINE BILL

THIRD READING

Bill 44, an Act respecting the construction of a Canadian National Railway Line between Hanna and Warden, in the Province of Alberta, as amended.—Hon Mr. Dandurand.

LOVERNA BRANCH LINE BILL

THIRD READING

Bill 45, an Act respecting the construction of a Canadian National Railway Line from Loverna westerly in the Province of Alberta, as amended.—Hon. Mr. Dandurand.

Hon. Mr. WATSON.

LLOYDMINSTER BRANCH LINE BILL

MOTION FOR THIRD READING—THE BILL REJECTED

Hon. Mr. DANDURAND moved the third reading of Bill 46, an Act respecting the construction of a Canadian National Railway Line from Lloydminster, in the Province of Saskatchewan, northwesterly 45 miles, as amended.

Hon. Sir JAMES LOUGHEED: Honourable gentleman, the suspension of the construction of this road will not in my judgment cause serious inconvenience to the people of the district. The proposed line largely parallels the proposed lines of the Canadian Pacific Railway and the already constructed line of the Canadian National. My recollection of the plan is that the route is not at any point more than from four to ten miles distant from either the present line of the National or the projected line of the Canadian Pacific now in course of construction.

Hon. Mr. GRIESBACH: That is from the river.

Hon. Sir JAMES LOUGHEED: The Canadian Pacific Railway has had a charter for some years. It is building in this direction and will traverse practically the same territory as would be covered by the proposed line. Thus reasonable railway communication will be provided for the settlers in that district without necessarily building a second line at the present time.

The immediate construction of the proposed Canadian National Railway line is not necessary, and the country will be saved $1,170,000 by not proceeding with the construction at the moment.

While I am on my feet I desire to point out, in answer to much of what has been said in the discussion of the former Bill, that the Senate is free to exercice its discretion as to whether the building of certain roads is a public necessity or not. Furthermore, the argument advanced by the honourable leader of the Government might equally well be applied to every road that could be projected in those three Western Provinces. In those provinces there is scarcely any district into which settlement has not gone, or in which the building of a line would not provide all the advantages that my honourable friend has pointed out. But do we for a moment assume that it is the imperative duty of the Government of Canada to furnish money for the building of all the branches that might advantageously be constructed, throughout the Dominion of Canada? The arguments which

have been advanced, if carried to their logical conclusion, would simply mean that there is not a district of Canada, from the Atlantic to the Pacific, or from the international boundary line to the far north, which does not offer some reasons for the building of branch lines. The enormous indebtedness incurred in the building up of the Canadian National System and placed upon the neck of Canada is really paralyzing the development of the country. It is a Frankenstein that will destroy the financial reputation of the country in the not distant future, except some limitation is placed upon these enormous sums which we are annually spending.

The fact was pointed out in the discussion of this subject before the Railway Committee, I think with greater emphasis than it has been presented on any other occasion, that the annual deficits from the National Railways absorb the entire income tax paid by the people of Canada. I should like to ask honourable gentlemen if the people are willingly contributing for these purposes the excessive income tax which is being imposed upon them, and which we now know to be about 25 per cent greater than that of the United States. Will they continue to contribute willingly this enormous tax for the purpose of simply covering the deficits—not the increased capital expenditure—which we are piling up annually on that road? Do we see any indication of economy or wise administration on the part of the management of the road? No; it is entering upon an orgy of extravagance. I care not what particular feature of the road honourable gentlemen may study, or what activity of the road is examined, the impress of gross extravagance will be found upon it. Salaries away beyond what were being paid previous to the accession of this Government to office are being received by men—salaries that could not be commanded in any other activity of life. Let honourable gentlemen go down to the Union depot, and look at the palatial private cars for the officials of this road that are crowding the sidings. There is nothing which those officials are denying themselves. Yet the people of Canada to-day are paying their income tax to meet the deficits they are piling up, and, as one honourable gentleman said the other day in the Railway Committee, there are men labouring hard for two, three, or four months each year, giving their time exclusively, to meet their income tax, in order that we may pay the deficits on this road.

If there was any indication of wise and economical administration on the part of the Management of the Canadian National Railways, that would appeal to the Parliament of Canada, I for one would hold up both hands for giving them the freest discretion in extending the road as they might think fit; but, without any intimation to the Government of Canada, properties representing millions of money, like the Hotel Scribe, or like that very special corner in Toronto, are bought when there is no occasion for such expenditure. Money is thus being poured out without authority, without any intimation to the Government of Canada, and to-day the Government, without any protest, is bowing its head so that it may carry the yoke. If the Government of Canada rose equal to the situation; if it appreciated the responsibility resting upon it to-day; if it showed any disposition to revise the taxation which is breaking the backs of the people of Canada; if it showed any disposition to restrain the administration of the railways in its orgy of extravagance, I for one would feel disposed to say to the Government of Canada: "We give you a free hand in exercising your best discretion in meeting public needs so far as railway expansion is concerned." But there is no disposition on the part of the Government of Canada to exercise restraint upon the expenditures of this road.

Last Session the Government brought down a Bill to expend practically the same amount as is now asked for, in building 26 or 27 branch lines, without information, and without indicating the merits of the different lines, thus showing that no adequate consideration had been given to the subject. They were willing to hand over to the National Railways the whole problem, and to vote some $30,000,000 or $40,000,000 irrespective of proper restraint or sufficient inquiry being made into the subject. This Session the Government brought down 26 Bills. Was there any disposition on the part of the Government in the House of Commons to limit that expenditure? Not the slightest. The Bills came down to us in the Senate just the same as they were introduced in the House of Commons.

Hon. Mr. LYNCH-STAUNTON: They added to them.

Hon. Sir JAMES LOUGHEED: I have no doubt of that; and what were we told when we entered upon our inquiry into the building of these branches? We were told that the people wanted them.

Now, who is administering the National Railways? Is it the Governement? Is it the people of Canada? Or is it a wise and economic administration capable of administer-

ing this enormous proporty, the greatest railway property on this continent? I affirm there is a recklesness that is nothing short of being a national tragedy; and unless the public men of Canada, the members of both House of Parliament, rise to a proper sense of their responsability, the administration of this road will result in financial disaster that will nationally embarrass Canada for generations to come.

Hon. J. L. COTE: Honourable gentlemen, with regard to this branch line, it goes from Lloydminster to the Saskatchewan, through about 50 miles of first-class country that was settled even before the Canadian Northern Railway went through. There is no better land in that part of the world than that section of country embraces. I have visited it, surveyed some of it, and gone through the whole country at different times, and I can assure you that the only way to meet the railway deficit that has been spoken of is to build branch lines to that main line of the old Canadian Northern. I think this branch line proposed will repair the mistake that was made by Parliament in changing the route of the Canadian Pacific Railway, which was built in the wrong place by the authority of Parliament, instead of following the engineering information they had, and thus cost the country hundreds of millions of dollars. I know that if the proposed branch line is built it will pay immediately, and will be a help in meeting the deficits of the Canadian National Railway.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I am informed that in the heat of debate I did not move my amendment; I thought I had done so. I now move that the Bill be read this day three months.

Hon. Mr. DANDURAND: Honourable gentlemen, this pretended indignation of my honourable friend at the orgy of expenditure has amused me immensely. He has told us that the present Government, unconcerned about the finances of this country, brought in a Bill last year proposing 26 branches at a cost of from $28,000,000 to $40,000,000 or $50,000,000, and passed on this request to the Senate, and that the Senate had justly rejected it. Without any study the Government and the House of Commons had with enthusiasm adopted that expenditure, unconcerned as to what would happen to the finances of the Canadian National Railway.

Well, my memory may be short, yet I could not forget that while reading the memoranda which accompanied these Bills I found that most of them had been started by my honourable friend himself, without coming to Parliament, without asking for the money except out of the general vote, without this Chamber being aware of what was going on; and now we are told by one of the Ministers of thta day that it was not railway building they were after, but that they were simply carrying on public works to help the returned soldiers.

Now, I remember—I think I still have it here—the statement of my honourable friend that during the war and, I suppose he could well add, up to the day he left office, they carried on an orgy of expenditure—that they went wild and drunk with the spending of money; yet to-day he has enough strength left to accuse the present Government of continuing in his course.

I will say this for the present proposition, and for those covering all the railway branches, that never did a Committee of this Chamber give greater study and attention to the merits of each branch line proposed. It is most unfortunate that my honourable friend singled out this Bill to execrate it, because it relates to one of the territories that the Canadian Pacific Railway wanted to control. Taking advantage of the financial difficulties of the Canadian National Railways two or three years ago, we saw on the map how the Canadian Pacific Railway was moving up towards the north, trying to reach Lloydminster, to cover the very territory which this proposed branch is about to cover. We heard from the Canadian Pacific Railway: they insisted upon the Canadian National Railways dividing that territory, building this line and running it at 50 per cent so that they should have a sure entry into that territory. We saw on the map how a year or two ago they were moving to Lloydminster, but their purpose was to go beyond and cover this very territory.

Now, what did the Committee decide? With a full knowledge of the facts, they decided that the people there were entitled to as prompt a service as possible. The Committee went one step further, and decided that this was a Canadian National Railway territory, and that since they were on the ground, since they were at Lloydminster, they should have the first right to build, and thus be two or three years ahead of the C. P. R. Does my honourable friend now want, by his motion for postponement, to enable the C. P. R. to steal a march on the Canadian National Railways? He will tell me that this will be private money, it will not be Canadian mo-

ney; but my answer to him is that this railway, whether built by the C. P. R. or the Canadian National Railways, is financed in the same way, by bonds covering every mile of the road. If the Canadian National build it they will bond it. When the C.P. R. reaches there and desires running rights, or to share as a partner, it will pay half of the cost of the interest upon those bonds; but we all know that there is a certain advantage to a railway developing its territory and making its connections for two or three years. Does the Senate of Canada want to handicap the National Railways, to load the dice, when they are on their territory, in order to allow the Canadian Pacific Railway to get ahead of them? I say it is most unfortunate that my honourable friend, who had on his lip, as he rose to speak, the statement that we were paralleling the Canadian Pacific Railway, had forgotten, or was absent from the Committee when it was stated that the C. P. R. is not there at all. The Canadian National Railway is there, but the Canadian Pacific wants to go through that territory when we have a proposition from the Canadian National Railways to build that line.

We have the statements of the Senators from that section of Saskatchewan, emphasizing the necessity of building this road, and I say that this proposal met with unanimity from the Committee, because where there was resistance in the Committee we felt it. With us it was a question of national dignity not to allow our road to play second violin to the Canadian Pacific Railway when it was already on the ground, and on its own property. We felt that we could not admit that Canadian credit was unequal to building this road ahead of the Candian Pacific Railway; and we approved of the principle of the Bill after a full and clear discussion, with the map before us, and came to the conclusion that the Canadian National Railway should pass ahead. I am surprised that some star-chamber decision is to supervene when we have decided in the full daylight that this Bill should go through. There was not one argument that did not carry the Committee, and although I have no interest but that of the state, I feel that I must enter my protest against the action of my honourable friend when he moves the three months hoist.

Hon. W. A. GRIESBACH: Honourable gentlemen, I feel that I should offer a few observations at this stage of the discussion. First, I may say that I propose to vote against the amendment and for the Bill. There are two principles which seem to guide honourable gentlemen in this Chamber in their approval or disapproval of these branch line proposals. Some honourable gentlemen are guided by the principle that a branch line should not be built unless it promises to pay; other honourable gentlemen take the view that a branch line should be built if the people in the locality are in need of railway communication and are suffering from the lack of it. In this particular case both these requirements are present. Here is a well-settled country, which has had a large population for a long time, and which is producing heavily, so that a branch line built in that locality will pay from the beginning, and also answer the needs of the people.

The honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) and other honourable gentlemen questioned the obligation of this country to assist those districts which were peopled in days gone by, when settlers went in and developed new sections of country. One honourable gentleman from a district in Quebec spoke of resolutions passed by Boards of Trade, pointing out the impropriety of such a course, and suggesting that a better policy for the Government would be to complete the settlement of areas close to railways before attempting to do anything with territory farther away. Well, the history of this country is that it was settled and developed by individuals who, for some reason or other, went to the outlying parts, and did pioneer work in settling the country. Why they did so I am not prepared to say: it seems to be characteristic of the genius of our people to push out, and it has been the practice of Governments to recognize that fact and give them railway facilities. As it has been so it will be, and there is an obligation on the part of the people of this country to supply those pioneers with railway communication as soon as we can.

With respect to this particular Bill, there is a large settlement in the locality referred to which is deserving of consideration. It is a very fruitful part of the country, which holds the championship of the world for the production of oats, that award having been won for three years in succession at the exhibition in Chicago, and the country is settled by a very fine class of progressive people. I therefore urge the Senate to consider carefully these matters before they vote against what I believe to be a sound business proposition.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I would like to say just a few words in reference to this proposed extension. A very earnest effort was made by the Committee, first, to get information of a kind that would guide people who were animated by excellent intentions but were not practical

railway men. At one time the efforts of the Committee had achieved something. It passed a resolution requesting the Government, and through the Government the Canadian National railways, to bring down a certificate—which could be posted all over this country—justifying the expenditure of more money on lines which have year after year, shown enormous deficits. What happened when the Committee made that request and when the railway officials received their orders? What did we get subsequently? We were met with resistance and delay, until finally, in the dying hours of the evening, when the Committee had thinned out, the resolution passed by the Committee also seemed to disappear, and the National Railways were relieved of the obligation of bringing down to this House a written justification, signed by a responsible officer, for every one of the enormous expenditures that we were asked to approve. Does that, honourable gentlemen, prove a great zeal on the part of either the Government or the Canadian National Railways, to justify their request?

After all what was the measure, as laid down by the leader of this side of the House, which the Committee desired to apply? It was a very simple and businesslike one. All that was asked was an answer, yes or no, to the questions: "Will the line for which money is being asked be a paying one? Will it carry itself? Will it be an additional burden on the shoulders of the people?" It was simple. Did we get the certificate asked for, or an answer? No. We were left with vague reports from unknown officers of the Company.

When no possible justification could be made out on the ground that the line would pay, the Railways turned to us and said: "Oh, but the needs of the country require this line. You must give it." That is a strong appeal in certain cases, I must admit; but we must not forget that the country is in the railroading business only by accident—it was a sad accident for Canada, and we must see that it is not fatal. We are not here for the purpose of spreading out lines wherever there may be people; even if it were possible, is it reasonable to expect that we should do it? No, there is no good reason for that.

A third reason is now invoked for building these roads. What is it? It is the pride of our railway, and nothing else. I have listened to a wonderful speech on the pride that I, as a citizen of Canada, should have in the Canadian National Railways—our accidental railroad. We are asked: "Are you going to allow this line to be taken by the C.P.R.?"

Why, honourable gentlemen, the lines of the West bring back to us every year millions and millions of deficits.

Hon. Mr. SHARPE: On the prairies?

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. SHARPE: No.

Hon. Mr. BEAUBIEN: They do.

Hon. Mr. SHARPE: No.

Hon. Mr. BEAUBIEN: Very good.

Hon. Mr. LAIRD: The railway officials did not say so.

Hon. Mr. BEAUBIEN: The railway reports show that the railways of the West bring back deficits of over $2,000,000 every year.

Hon. Mr. SHARPE: That is different. That takes in the four western provinces.

Hon. Mr. BEAUBIEN: I will ask my honourable friend, for the purpose of this discussion, to assume that I am right.

Hon. Mr. SHARPE: I will not do it.

Hon. Mr. BEAUBIEN: He will find that I am not very far from the truth.

Do you think, honourable gentlemen, that it is easy to impart that pride of which my honourable friend spoke so eloquently to the people who have to pay every year? Go down to the business man who, through his income tax, has been working for one or two or three or four months for the railway, and say to him: "My friend, have you no pride in your job?"

Hon. Mr. DANDURAND: If it is a good proposition for the Canadian Pacific Railway, is it not a fair deduction to say that it is a good proposition for the Canadian National Railways?

Hon. Mr. BEAUBIEN: My answer to that is very simple: there are some investments that are good; but if my honourable friend has no money, will he go and borrow money from the bank and make the investment?

Hon. Mr. DANDURAND: Like the C.P.R., yes.

Hon. Mr. BEAUBIEN: Just a second. The Canadian National Railways come to us for their money every year; and, if my honourable friend is right, they will come for a little larger amount next year, and still larger the following year.

Hon. Sir JAMES LOUGHEED: And the Government will tax us to raise it.

Hon. Mr. BEAUBIEN: We will have a pride in our railway when it is well managed —when it is as well managed as other railways of the country. But I say it is not a question of pride for the time being: it is simply a question of whether or not we have the money to hand out.

I have a great deal of sympathy with the people of the West who want lines, but I would ask that sympathy be extended to all parts of the country. If the honourable gentleman from the West who spoke a moment ago would cast his eye over the Province of Ontario, the Province of Quebec, and the Maritime Provinces, and would count the countless miles of railway required to give such a railway service that the haul to it would nowhere exceed 12 miles, he would conclude that we must build in the East for fifty years before that would be accomplished.

Hon. Mr. LAIRD: Give us our resources and we will build our own railways.

Hon. Mr. MURPHY: You have your subsidies.

Hon. Mr. BEAUBIEN: You have had proof that over 11,000 people in the older parts of the country have been for more than fifty years more than 50 miles from a railway. Have they complained?

There must be some justification for the building of these lines, and the only possible justification for the lines that we sanction is that they will carry themselves. We have not had evidence of that justification—we have perhaps less evidence of that in the case of this line than in any other. First of all, there is no proof at all that the line will pay. We had Mr. Ruel come before us and admit that under prevailing rates no money is being made and that no money can be made in the hauling of wheat. That statement, I know, was later on contradicted by another officer of the Company. But there you have the testimony of the Canadian National Railways, and the least we can say of it is that the testimony of one official destroys the testimony of the other, and that we have therefore no evidence at all.

Secondly, it is said that the people want the line. Well, the Canadian Pacific Railway is ready to go in there and assume that obligation. Why should we fight to take away from the Canadian Pacific an expense of that kind? Is there any justification for it?

Hon. Mr. DANDURAND: But it is not an expense.

Hon. Mr. BEAUBIEN: No expense?

Hon. Mr. DANDURAND: The bonds will be sold by the Canadian Pacific, just as they would be by the Canaidan National railways; and if this is a feeder, it will be a feeder for the Canadian Pacific Railway, not for the Canadian National Railways.

Hon. Mr. LYNCH-STAUNTON: It will feed them poison.

Hon. Mr. BEAUBIEN: Am I to understand the plea made for this line is justified on the ground that no expenditure is being asked? The demand before us is for $27,000,000—and the Government does not consider it an expense, because it is going to endorse the bonds and sell them.

Hon. Mr. DANDURAND: Because it will be remunerative.

Hon. Mr. BEAUBIEN: My honourable friend has no evidence of that whatsoever, and that is why he got up and eloquently tried to instil into the heart of every honourable member here the pride of our great National Railways—so that they would forget everything else, more particularly the duty imposed upon this House—which, if it is not fulfilled by this House, will not be fulfilled at all—of preventing every expenditure that is not perfectly justifiable. For that reason I will vote against the Bill.

Hon. G. D. ROBERTSON: Honourable gentlemen, before coming to a conclusion, let us review for a few moments the facts surrounding this particular proposal. First, let me say that I noticed with regret that my honourable friend the leader of the Government, in the heat of his feelings at the moment, left an impression—I do not think it was intentional, but I believe it left that effect upon the minds of some honourable gentlemen—that the leader on this side of the House was in some way influenced or prejudiced in the motion which he made because of friendliness to or interest in another railway. Inasmuch as my leader has already spoken on the subject, I feel that I could not permit that to pass without referring to it, because it is a reflection on a gentleman in this House whom we all know, whom we all respect, and of whom we would not for a moment entertain such an opinion.

May I say further—although my name has not been coupled with those of the "famous six" referred to by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton)—that I am a shareholder in the Canadian Pacific Railway, having purchased the stock on the open market and paid for it. But when, in my opinion, the Canadian

Pacific Railway is properly subject to criticism, so far as I am concerned, it will get it —the same is true of the National Railways —and that will continue to be my policy so far as these matters are concerned.

What are the facts in connection with this particular branch lines? Lloydminster is a town on the eastern side of Alberta, south and east of the city of Edmonton. It lies not a great distance from the North Saskatchewan river. The Canadian National railway line from Saskatoon to Edmonton passes through it. To the north of Lloydminster there is a district, maybe 20 miles in width on the average, which is not served at the present time by a railway. But the Parliament of Canada a few years ago granted a charter to the Canadian Pacific Railway to parallel the Canadian National Railway to Edmonton between the present line and the North Saskatchewan river. In that charter, as I recall it, there was a provision to the effect that the Canadian National Railways should have running rights over this line if they so desired; and likewise, if the Canadian National Railways should build first, the Canadian Pacific should enjoy the same right. The Canadian Pacific Railway is now within a few miles south of Lloydminster, and is building towards that point at the present moment.

Hon. Mr. DANDURAND: They are about 30 miles away, I think.

Hon. Mr. ROBERTSON: They expect to reach Lloydminster this year, I believe.

If honourable gentlemen recall the map in the Railway Committee room, which faced us for many days during our deliberations, they will remember that this projected line almost parallels the existing Canadian National line for a distance of about 15 miles to start with, and is at no point more than four miles away from the present line. Then the lines diverge and are probably 15 miles apart the rest of the distance.

Here is a project to expend the sum of $1,170,000—for what? To make it a little more convenient than it is at present for the producers of grain in that locality to get their produce on board cars. It will not increase the business of the Canadian National Railways—keep that in mind—because it will simply divert the traffic from the present stations to new stations located on this line, and will divide the business that now comes to the only line in the locality. In my opinion, it is not a question of C.P.R. versus Canadian National at all; it is a question of whether this House is going to adopt and follow a policy of attempting to build a railway to every granary or farm in this country. If we are going to do that, Lord help the Canadian National Railways.

We must not forget that last year the Canadian National Railways earned, over and above their operating expenses, only eight cents on very dollar of their $254,000,000 of gross earnings. They have nothing with which to meet their fixed charges. My honourable friend the leader of the Government points out that this will not cost the country anything, because bonds are going to be issued. Who is going to pay the interest on the bonds, if the railway does not?

A substantial majority of the lines that have been projected and submitted to us for consideration, ought I think, to be carried on, because most of them are extensions of existing branch lines. That is not so in this case. There is not one foot of grading done on this road; it is an entirely new project, branching off from the present Canadian National main line at Lloydminster and paralleling it for a considerable distance.

Without discussing the question generally, I may as well say something that I had intended to say at some point during the discussion on these Bills. I do not know what may be in the minds of other honourable gentlemen who were on the Railway Committee; but my one criticism of the Canadian National railway officials in connection with this whole matter is that there is on my part a lack of confidence in the sincerity and honesty of the officials and directors in preparing the programme which they have submitted to Parliament. I have seen evidences that have made me positive that part of the programme which they were recommending to Parliament was to their knowledge not feasible, and that they never desired it, but that behind this were reasons which caused them to do what they knew was not right; and I submit, honourable gentlemen, that so long as any Management or any board of directors adopt a policy or attitude of that sort, in coming to Parliament with proposals that they themselves do not endorse and cannot support, there cannot but be lack of confidence on our part in every proposal that they submit to Parliament for consideration. I hope that before another Session goes by there will be some indication given to Parliament and the public that the policy of the Management of the Canadian National Railways with respect to capital expenditure is one which will commend itself and command our confidence. Branch lines are not the only capital expenditures that are likely to be proposed to

Parliament before very long. I make the forecast, believing it to be true, that in the not distant future there will be laid before the people and the Parliament of Canada proposals for expenditures on terminal facilities, or extensions of such facilities, in a number of our large cities, with palatial stations whose cost will run into more millions of dollars than this whole branch lines programme that we have before us. It is time that some authority took an active part in examining into the details of all these proposals, in the interest not only of the National Railways, but of the future of Canada itself, because if the present tendency continues we shall undoubtedly rue the day that we took the step of placing the Canadian National Railways under the wing of Parliament. Like my honourable friend the leader, who not long ago made a plain statement of his feelings in this particular matter, I hold that if the policies adopted by the men in charge of the railways at the time the Government became owners of them had been maintained and continued, with the support and advice of strong business men in Canada, the problem would likely have worked itself out satisfactorily within a reasonable number of years. But what has occurred? The names of men of limited experience, doubtful ability, and in some cases questionable sincerity, already appear on the directorate of this project. In my opinion, a new executive head coming in to control the System, no matter how faithful he may desire to be, or how competent he may be, surrounded as he is by such advisers, cannot possibly succeed; and I sympathize with him more than I criticise him.

The amendment of Hon. Sir James Lougheed was agreed to on the following division:

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DUNBLANE-MAWER BRANCH LINE BILL

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Bill 49, an Act respecting the construction of a Canadian National Railway Line between Dunblane and Mawer or a point west thereof in the Province of Saskatchewan, as amended.—Hon. Mr. Dandurand.

BANKRUPTCY BILL (EMPLOYMENT OF SOLICITORS).

THIRD READING

Bill 15, an Act to amend the Bankruptcy Act (Employment of Solicitors by Trustee.)—Hon. Mr. Haydon.

DIVORCE BILLS

THIRD READINGS

Bill K6, an Act for the relief of Eva Laura Bell.—Hon. Mr. Haydon.

Bill L6, an Act for the relief of Peter Alexander Fawcett.—Hon. Mr. Haydon.

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Bill N6, an Act for the relief of Beatrice F. Mastron.—Hon. W. B. Ross.

Bill O6, an Act for the relief of Herman Kleinsteuber.—Hon. Mr. Blain.

KINGSCLEAR-ST. CROIX RIVER BRANCH LINE BILL

CONSIDERATION OF COMMITTEE AMENDMENT

Hon. Mr. BLAIN moved concurrence in the amendment made by the Standing Committee on Railways, Telegraphs and Harbours to Bill 26, an Act respecting the Construction of a Canadian National Railway Line between Kingsclear and the St. Croix River, in the Province of New Brunswick.

Hon. Sir JAMES LOUGHEED moved in amendment that the report of the Standing Committee be referred to the Committee of the Whole House.

The amendment of Sir James Lougheed was agreed to.

CONSIDERED IN COMMITTEE

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

Hon. Mr. Belcourt in the Chair.

Sections 1 to 5 were agreed to.

On section 6—issue of securities limited if running rights obtained:

Hon. Sir JAMES LOUGHEED: The motion now is, I suppose, that section 6 as amended be further amended.

What I propose, honourable gentlemen, is this. The Bill makes provision, in the first place, for the construction of the entire line—from Kingsclear to Vanceboro. Then, a further provision is made that, in the event of the Railway Commission, which is authorized to deal with the subject, giving running rights from Harvey to Vanceboro, that section of line be not built. If running rights be obtained over the Canadian Pacific Railway from Harvey to Vanceboro, then the company shall have the right to construct the line from Kingsclear to Harvey.

Now, what I have suggested is that a further alternative be given so that the Railway Commission may determine whether running rights should not be given from Fredericton to Vanceboro over the Canadian Pacific Railway, thus avoiding the building of 14 miles, which I think will cost at least $1,000,000. I understand from many honourable members from New Brunswick that all the purposes of the National Railways could be served by securing these running rights, and thus obviating the expenditure of this capital sum. Both roads would occupy equal advantages. Some criticism has been made as to the grade of the Canadian Pacific Railway, which I understand is more than 1 per cent; but in any event, whatever the grade is, I fancy that what the Canadian Pacific can travel on the National Railways should be able to travel on. Both lines would be placed on an equality, and this expenditure would be saved.

My sugestion is that those running rights should be secured for the time being. There is no necesity for the National Railways to be tied up for all time with those running rights; but they should take the rights for three or five years, until Canada is in a more properous condition to enter on the expenditure of large capital sums in the way of building railways.

I am not insisting that one or the other of the alternatives be adopted; but I do suggest that while we are making a reference to the Railway Commission to determine the one question as to whether running rights should not be given from Harvey to Vanceboro, we should give to the Commission the further discretion to say whether the whole scheme could not be carried out of giving running rights from Fredericton to Vanceboro. That is the explanation which I have to make to the House, and I move the amendment accordingly.

Hon. Mr. LYNCH-STAUNTON: Is the effect of the last amendment that if, in the judgment of the Railway Commission, running rights should be obtained, then the road is not authorized under this Bill?

Hon. Sir JAMES LOUGHEED: Yes; no building would be done.

Hon. Mr. LYNCH-STAUNTON: It is purely in the discretion of the Railway Commission?

Hon. Sir JAMES LOUGHEED: Yes. I might add that under this Bill three things might happen: the Canadian National Railways might build from Kingsclear to Vanceboro—they are getting the authority to do that; but if the Railway Commission give running rights from Harvey to Vanceboro, only the balance of the road would be built, namely, from Kingsclear to Harvey, which is 14 or 16 miles, and which would probably cost $1,000,000. I ask that the Railway Commission should have authority to decide a further question, namely, whether all this cannot be accomplished by giving running rights from Frederiction; and in that event no construction would be entered upon at all; only the terms of the running rights would be fixed.

Hon. Mr. LYNCH-STAUNTON: But the Railway Commission are masters of the situation?

Hon. Sir JAMES LOUGHEED: Yes, they are to determine what is to be done.

Hon. Mr. GORDON: I must say that I am not at all in favour of this Bill, and I am a little at sea as to this proposed amendment. It seems to me that the proper thing to do is for the Company to secure running rights from Fredericton to Vanceboro.

Hon. Sir JAMES LOUGHEED: May I explain to my honourable friend that it is stated—and I think there is probable ground

for the statement—that statutory authority will have to be given to the National Railways to build a line before they can invoke the authority of the Railway Commission to deal with the question of running rights. That is to say, before a Company can make application to the Railway Commission for running rights they must have a charter of their own to build a line—

Hon. Mr. CASGRAIN: Running that way.

Hon. Sir JAMES LOUGHEED: Yes; so that in the event of the Railway Commission not granting those running rights, they would carry out the provisions of their own charter.

Hon. Mr. GORDON: What I would like to find out is whether the Canadian National may put up obstacles, or not agree to a fair proposition from the Canadian Pacific Railway, and then go on with the building of its part of the road?

Hon. Sir JAMES LOUGHEED: It is made obligatory to have the matter referred to the Railway Commission first; then, if the Railway Commission should not be able to work out such an agreement, the National Railways have the authority to build.

Hon. Mr. DANDURAND: I would draw my honourable friend's attention to the fact that the amendment which he has read does not seem to coincide with the explanation he gives of it. He said that the Railway Board, deciding in favour of running rights from Fredericton to Vanceboro, could give those running rights for the time being; but when I looked at the phraseology I did not find that the amendment carried that interpretation. So that the decision of the Railway Board allowing the National Railways running rights from Fredericton would exhaust the powers of the Company to reappear before the Railway Board and ask that that order be valid.

Hon. Sir JAMES LOUGHEED: Well, I am anticipating that if an order is made by the Railway Board, it will be made for a term of years, that is, for a limited time. I understand that those agreements are not in perpetuity, but are made for a particular length of time, and it will be for both Companies to make representation to the Board as to what their views are as to the length of time.

Hon. Mr. DANDURAND: I can perhaps formulate the objection which the Canadian National Railways have to this further alternative—to the discretion being allowed to the Railway Board. The National Railways handed me a statement, which appears at page 579 of our Senate Debates, which shows that there would be an annual saving or advantage accruing to the National Railways by using the Kingsclear route, instead of obtaining running rights from Fredericton, amounting to the sum of $32,656.

Hon. Mr. GORDON: May I ask if the figures given by Mr. Gzowski were given to the House of Commons, and if that was part of the reason why this Bill was passed there, or did they just pass the Bill on the strength of the representation made about the National Railway not getting sufficient return cars?

Hon. Mr. DANDURAND: I cannot answer my honourable friend, because this discussion took place in the Commons Committee, and Hansard does not contain the discussion, the debate not being in the House of Commons. When we examined this proposition, as I said on Tuesday, the Committee seemed convinced that it was in the interest of the Canadian National Railways that they should reach Vanceboro. Now my honourable friend asks that the Railway Board be empowered to examine into the alternative of giving running rights from Fredericton to Vanceboro. But the Canadian National Railways have felt that there is such necessity for building the 14 miles from Kingsclear to Harvey, the short-cut line, that they are rather reluctant to leave this matter to be decided by the arbitrament of the Railway Board, because they would be running the risk of a decision which would perhaps be adverse to their interests; and they felt, and still feel, that they had such a clear case, and showed such an advantage in the building of that short line of 14 miles, that they should not be put to the risk of the decision being referred to another tribunal. It is for the Senate to pronounce on that.

Sir JAMES LOUGHEED: But is not that peculiarly the function of the Railway Commission? If the National Railway and the Government have lost confidence in the Railway Commission, it seems to me unfortunate for the administration of railways in Canada by that Board.

Hon. Mr. DANDURAND: Perhaps in this instance the officials of the Canadian National Railways feel that a strong bias might exist in the Board in favour of one scheme rather than another. I believe it was stated in Committee that an opinion had already been expressed by a member of the Board in favour of running rights being given from Fredericton, as against the building of the shortcut. I mention this to explain the very exceptional situation of the National

Railways being a little fearful of confiding to the arbitrament of any tribunal, be it the Railway Board or any other, what they believe to be an advantage of high order. But I do not stress that point; I simply indicate the fact that on Tuesday last I read from my place, and put on Hansard, a statement showing the advantages that would accrue to the National Railways by constructing the line to Harvey, in preference to obtaining running rights over the Canadian Pacific road from Fredericton to Vanceboro. The statement which I read indicates the very great advantage that has accrued to the Canadian Pacific Railway up to this date by having the monopoly of that freight which went to it through the Canadian National Railways. During the year 1923, I believe, they enjoyed receipts amounting to $246,917 from that freight, and of course they will make a strong effort to obtain the advantages of a long lease from Fredericton to Vanceboro. The Canadian National Railways indicate in that statement that by an expenditure of from $800,000 to $1,000,000 they would make a clear gain of about $32,000 a year over the alternative of obtaining running rights from Fredericton to Vanceboro.

Hon. Mr. GORDON: I must say that I am entirely opposed to this Bill, and I confess that I am not much in favour of the amendment. It seems to me that we have a chance now of contributing something in this matter. I would like to see this Bill defeated, and to have it demonstrated between now and next Session whether the Canadian Pacific and the Canadian National Railways cannot agree on a proposition of this kind without the interference of the Railway Commission. It seems to me that this is a fair proposition for the Canadian National Railways to put up to the Canadian Pacific, and if the latter company does not use them fairly between now and next year, then we will know what to do. In the meantime, I am very much opposed to the Bill, and I do not like the amendment much better.

Progress was reported.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock, Hon. Mr. Belcourt in the Chair.

The Senate again went into Committee on the Bill.

Hon. Mr. Blain in the Chair.

On section 6—issue of securities limited if running rights obtained:

Hon. Mr. DANIEL: I would like to call the attention of the honourable the leader of the Government to a statement that he made the other day in advocating this Kingsclear branch. He called attention to the fact that the mileage on the Canadian National Railways in New Brunswick and Nova Scotia was very much greater than the mileage of the C.P.R., which of course is absolutely true, but when I asked him what proportion of the traffic occurred on the part of the line leading to the gateway at Vanceboro, he was not able to inform me. But he advanced the argument that because the Canadian National Railways had a very much larger mileage than the Canadian Pacific Railway it was entitled to more than 50 per cent of the returned cars. Now, in this report of Mr. Gzowski we see exactly what the proportion of the traffic is, and instead of the Canadian National Railways having the larger proportion of the traffic, they have a very much smaller proportion. In other words, they have, as Mr. Gzowski says, only 20 per cent; so this cry of the Canadian National railways that they were not being treated fairly by the C.P.R. in getting their proportion of the return cars is a hollow one.

Hon. Mr. DANDURAND: Would my honourable friend read that part of Mr. Gzowski's statement to the Senate?

Hon. Mr. DANIEL: Yes, I will. You will find it at the bottom of page 579 of Hansard, where in regard to the proportion of maintenance of way, he says:

> Via Canadian Pacific railway, 42.9 miles x 2,500 x 20 per cent.

The $2,500 is the maintenance per mile, and the 20 per cent is the percentage of the business of the Canadian National Railways over this line as compared with the business done by the Canadian Pacific Railway. So, the Canadian National Railways, instead of being unfairly treated, were not only fairly but most generously treated in getting 50 per cent of the returned cars, when in reality they were entitled, according to their own statement, to only 20 per cent.

Hon. Mr. MURPHY: Most of the freight of Nova Scotia and Prince Edward Island goes by St. John.

Hon. Mr. DANIEL: It all goes by St. John, and, when you add it up, it all amounts to 20 per cent of the whole business.

Hon. Mr. ROBINSON: Does this 20 per cent refer to only outward freight, or does it include inward and outward and passenger traffic and everything else?

Hon. Mr. DANIEL: The honourable gentleman must ask Mr. Gzowski. I am taking his report, and he says that the business the Canadian National Railways does on that line is 20 per cent of the whole. You may take it outward or inward, or both—he probably refers to both.

I have not a technical knowledge of railway matters, but I notice that in so far as the Canadian Pacific mileage is concerned, Mr. Gzowski says it cost $2,500 a mile for maintenance of way; and when he makes up his accounts as to the cost which the Canadian National Railways would have to pay if they went via Fredericton and Fredericton Junction, he charges that much; but he does not make the same charge against his own line. One line is 33.8 miles in length, and the other is 42.9. Now, if Mr. Gzowski charges his 33.8 miles with the $2,500 a mile maintenance which he charges against the C.P.R., the result will be very different. Instead of there being a saving of $32,000 by building the Kingsclear branch, my reckoning is that there will be a loss of over $40,000.

More than that, he charges for the construction of the Kingsclear line to Harvey $800,000. I do not think any member of this House will be able to call to mind any railway contract that was completed within the estimate, and I take it that instead of this line costing $800,000 it will cost $1,000,000 at least. The interest on $1,000,000 at 5½ per cent will be $55,000; so if you add the $55,000 to the $84,500, and add that to the transportation cost and other costs mentioned, you get a total of $172,349 as against $126,505 by the other line. Of course, I may be wrong, but I do not see for the present how I am; so, according to the figures, as I make them out, instead of gaining $32,000 by the construction of the Kingclear branch, and operating their road in that way, they will lose $45,844.

Hon. Mr. DANDURAND: At what amount does my honourable friend put the cost of building?

Hon. Mr. DANIEL: $1,000,000. That makes the interest $55,000 instead of $44,000, the amount which he charges.

Hon. Mr. DANDURAND: I see that Mr. Gzowski says:

> From our recent surveys, the amount of $800,000 would be an outside figure.

Hon. Mr. DANIEL: I know he does, but I appeal to the honourable gentleman. He has heard of outside figures before. Perhaps he can recall the cost of the Transcontinental or the Grand Trunk Pacific. I think the whole thing was to cost only $13,000,000 to the country.

Hon. Mr. DANDURAND: That was interest.

Hon. Mr. DANIEL: Even after the contracts were given they cost about twice as much as they were expected to.

Hon. Mr. DANDURAND: It was because we did not finish it.

Hon. Mr. DANIEL: So I think I am quite within the mark if I make the charge $1,000,000 instead of $800,000. I call attention to these facts, and if they are not correct I would like the honourable gentleman to show me in what way they are not correct. So far as I am concerned, I do not see what advantage it is going to be to the Canadian National Railways to build this line.

Hon. Mr. ROBINSON: The cost of maintenance of way is explained by a footnote. The footnote says the direct maintenance of way is included in the train-mile cost.

Hon. Mr. DANIEL: I know.

Hon. Mr. ROBINSON: In the case of the Kingsclear line, I do not see where the honourable gentleman sees anything wrong with that.

Hon. Mr. DANIEL: I have taken his own figures.

Hon. Mr. ROBINSON: You might as well add $100,000 more while you are at it. I want to say just a word or two about this line, if I may be permitted, because I think this is one line that should be built.

Hon. Mr. McMEANS: Where is it—in New Brunswick?

Hon. Mr. ROBINSON: It is in New Brunswick. It is the only line in New Brunswick and it is only about sixteen miles long. It is a railroad proposition, as I understand it. It has been discussed before the Committee, and they have voted on it. It has had a pretty rocky road to travel so far, but it has passed the Committee twice, after the Committee heard all the evidence, and heard the opinions of railway experts and of the honourable gentleman from Welland (Hon. Mr. Robertson, who has good judgment in railway matters, in favour of this line. There has been no political significance whatever in the proposal. No politicians that I know of

have had anything to do with it or knew anything about it until it was introduced. The line is, in my opinion, of vital importance not only to the Province of New Brunswick, but to the whole Maritime Provinces. We have about 2,500 miles of the C.N.R. tributary to the United States. The question of an independent outlet for the C.N.R. has been under consideration for over ten years. It was taken up during the time the Hon. Frank Cochrane was Minister of Railways and Mr. Gutelius was General Manager. I have correspondence here to show that they were very strongly in favour of this line. A former minister, the present Chief Justice of New Brunswick, Sir Douglas Hazen, was also very strongly in favour of it and said it would be a benefit not only to the Province of New Brunswick but to the city of St. John as well.

Several outlets were discussed. One was to go to St. Stephen; one was between Meductic and Bancroft; one was farther up the line; and the present line was the one that was finally decided upon by the railway people themselves as the best railway proposition.

The question of a car supply is a very vital one to us. I have an intimate knowledge of the country and of the lumber business. I have been in close touch with the lumbermen of New Brunswick for the past four or five years, having been in charge of the Department of Lands and Mines; and I have been in close touch with the Government also. In 1921 the shortage of cars in the Province of New Brunswick was a calamity. There was such a shortage that many of our lumbermen who were comfortably off, with independent fortunes, are to-day without a dollar, and many others are having a very hard struggle. Lumber at that time was at a high price, selling at $50 a thousand. Contracts were made in the United States for the sale of lumber at prices ranging from $45 to $50 a thousand, but the lumbermen could not get the cars, and the contracts were therefore cancelled. When lumber dropped from $50 to $25 a thousand there was an abundance of cars.

Hon. Mr. BRADBURY: Will the honourable gentleman tell the House why they could not get cars?

Hon. Mr. ROBINSON: There were several reasons. One of the reasons was because a great deal of our rolling stock was sent to the West to accommodate the people on the prairies. That was one important reason. Another was that our railroad had no direct connection with the Maine Central and could not get cars from the United States, and at that time we had to depend almost entirely upon foreign cars. The foreign cars that came to New Brunswick came to the C.P.R. first, and when there was such a great demand for cars the C.P.R. naturally used what they got for their own customers.

Hon. Mr. McMEANS: That was contradicted in Committee.

Hon. Mr. ROBINSON: Who contradicted it?

Hon. Mr. McMEANS: It was stated in Committee that the Department at Washington regulated the number of cars that went to the C.P.R. and the proportion that went to the C.N.R.

Hon. Mr. ROBINSON: No. It was arranged at Washington that the cars should be distributed fifty-fifty, but they had to come to the C.P.R. first, and when the times were critical the C.P.R. kept the cars, and when the supply improved they sent a surplus to the C.N.R. When cars were plentiful, the C.N.R. got their proportion of fifty per cent, but they did not get it at the time the cars were needed most. The result was that the lumbermen in the Province of New Brunswick could not ship their lumber, which entailed a loss not only to the lumbermen, but also to the C.N.R.

Hon. Mr. GORDON: In what year was that?

Hon. Mr. ROBINSON: 1921. It also entailed a tremendous loss to the New Brunswick Government. It left us in a peculiar situation, because at that very time there was a great deal of lumber in our province which had been destroyed by the bud-worm and left in the woods to rot. The result was that the lumbermen had a surplus supply in the fall, and they had loans from the banks to the extreme limit. They had to pay insurance charges on the lumber, and had to pay interest on the loans. They were not able to go to the woods and operate in the fall of 1921-22, and the cut of lumber in the Province of New Brunswick on Crown lands alone was reduced from 350,000,000 to 100,000,000 feet, and on private land it was reduced accordingly. There was unemployment in the Province of New Brunswick as a result; there was a loss of Provincial revenues amounting to nearly $1,000,000, as another result; and there was that much less lumber for the C.N.R. to carry. If they had been able to get even a portion of their cars at that time, if the lum-

bermen had been able to ship even twenty-five per cent of their lumber, at the current prices they would have been in a comfortable situation.

Hon. Mr. BRADBURY: If they had running rights over the C.P.R., would that make any difference?

Hon. Mr. ROBINSON: It would not make very much difference, I am told. I am not a railroad man, but honourable gentlemen who were in the Committee heard railroad men discuss this question, and they said that if they had running rights they would not get enough cars, because they would have to take second place on all occasions.

Hon. Mr. McMEANS: Surely the honourable gentlemen knows it was impossible for the Canadian railroads to get back their cars from the United States.

Hon. Mr. ROBINSON: The railroad men made the statement that they would get more cars back if they had the direct connection. I am not a railroad man, but I know dozens of them, and they all tell the same story. They say they are able to get a few cars at St. Leonard, but that is on the B. and A., a branch of the Maine Central, but they cannot get very many cars when they want them from the C.P.R.

This question is a serious one to shippers, manufacturers, and all the people, not only in the Province of New Brunswick, but throughout the Maritime Provinces. I am opposed to this amendment. While it may seem plausible enough, I think, after hearing the railway men before the Committee, that if this amendment carries, it will as effectually and completely destroy the Bill as if you carried a motion to read it this day three months, or this day six months.

Mr. Ruel, in the Railway Committee, told us that it was not a railway proposition to have running rights via Fredericton Junction to Vanceboro; and, not being a railroad man, I have to take Mr. Ruel's word for that. Mr. Hungerford said, as I understood, that this was the most essential branch line in the whole Dominion of Canada.

My understanding is that if this Bill does not carry it will be because, unfortunately, honourable Senators from the Province of New Brunswick do not see their way clear to support it. They have the right to do as they think best, but I think they are standing very much against the interest of that Province and all the Maritime Provinces if they do not support this Bill. In fact, according to the statement of Mr. Gzowski, it is a good financial proposition, and the longer you delay carrying out the effect of this measure the longer you penalize the C.N.R. at the rate of $30,000 a year. The sooner they are enabled to run over this proposed line the better off they will be, if that statement of Mr. Gzowski is worthy of acceptance; and I believe it is. It is made by a thoroughly competent official of the Railway, notwithstanding the criticism of the honourable member from St. John.

But there is another reason, which has never been mentioned before the Committee, or before the Senate, and to my mind it is a very important one. The construction of this branch line is coupled with what is known in New Brunswick as the Valley Railway. The Valley Railway was constructed under an agreement and an understanding between the New Brunswick Government and the Government of the Dominion of Canada. When the road was first proposed, the arrangement was that it should cross the St. John River, go down the east side and cross the Kennebecasis. The Dominion of Canada, by an agreement with the Province of New Brunswick, undertook to guarantee the bonds for the construction of bridges to the extent of $3,000,000. Later on, the matter was further discussed and inquired into by Mr. Gutelius and Mr. Hayes, and then by Mr. Montserrat, an expert on bridges, and Hon. Dr. Reid, who was then Acting Minister of Railways, requested the New Brunswick Government to make another arrangement. I have here a letter from the honourable gentleman (Hon. Mr. Reid) to Mr. Clarke, who was then Premier of the Province of New Brunswick. It will show, I think, that the construction of this road is the honourable gentleman's own baby and he should support it. If the honourable gentleman will allow me, I will read this letter, it will probably throw some light on the question.

1st March, 1916.

Dear Mr. Clarke,—Some time ago you wrote Honourable Mr. Hazen and asked him to interview Honourable Mr. Cochrane, Minister of Railways and Canals, in reference to the St. John Railway situation. Owing to Mr. Cochrane's present indisposition it has fallen to me, as Acting Minister during his absence, to go into this, and I sent for Mr. Gutelius and took that matter up with him. I have gone into it very fully and I must say that Mr. Gutelius is very strongly of the opinion that the feasibility of building the bridges across the Kennebecasis and St. John Rivers is open to grave question and subject to such great risk, and the cost together with maintenance for all time so great that it has convinced him, and also me, that the route as originally proposed is not in the best interests of all concerned. In addition to that, when your Government first went into this scheme, it was with a view of affording a connection between the Grand Trunk Pacific and the

City of St. John. Since that time the Government has been obliged to take over and operate the Transcontinental Railway, and as the Intercolonial Railway already has a first-class connection with the Transcontinental Railway at McGivney's, this alters the entire situation, and I believe a reconsideration of the proposal and a re-arrangement of plans will result in much better business to the St. John & Quebec Railway and a much better service to the citizens of St. John and that portion of New Brunswick served by the St. John & Quebec Railway.

After discussing the whole matter thoroughly with Mr. Gutelius, I had him put in writing a suggested re-arrangement of the scheme. I also had him take up the question of bridges with his Chief Engineer, as well as Mr. C. N. Monsarrat, who is in charge of the construction of the Quebec Bridge, and both are strongly of the opinion that Mr. Gutelius' proposition is the one that should be adopted.

I asked that you come here or send someone to represent your Government to discuss this matter, and I was very sorry indeed to hear that you were ill, but was very glad to meet honourable Messrs. Murray and Baxter to-day. I have gone into the matter thoroughly with them, have explained it fully and am now enclosing you a full copy of the correspondence which has passed recently in connection with the proposal.

Before taking this matter up with the Premier and members of the Cabinet, I thought it advisable to submit this to you and your government for their consideration and would ask that after having considered it you would advise me what conclusion is arrived at.

Of course, you can understand that if it is agreed that the proposed re-arrangement is acceptable to both parties then the proposed construction of the bridges across the Kennebecasis and St. John rivers is abandoned, and that you will at once proceed with the new route and have it reach Westfield at the earliest possible date.

It does strike me that if this re-arrangement is carried out, and if the City of St. John by this means secures two routes through Maine to the New England States it is of very great importance to the people of your province.

As soon as you are able to consider this matter and let me have your decision, I will then submit the entire question to the Dominion Government, and if it is approved will be glad to submit to the House any legislation that may be necessary for the purpose of giving effect to the conclusions arrived at.

Yours very truly,

(Signed) J. D. Reid,
Acting Minister.

And this is part of the legislation which gives effect to those conclusions. That was a fair and reasonable proposition. I think the honourable gentleman from Grenville (Hon. Mr. Reid) and others in charge of railway matters at that time displayed a good deal of judgment and careful thought in looking into the situation. After examining it, they requested the Provincial Government to make a rearrangement of the St. John Valley Railway and, instead of crossing the river, to build it to Westfield. Mr. Gutelius, in his letter, suggested that the C.N.R. or the Dominion Government should obtain running rights over the C.P.R. from Westfield to St. John, and that later on a connection might be made with the Maine Central.

I want right here to take this opportunity of saying that after the agreement was finally ratified the Dominion Government went back on the proposal, and, instead of taking its share of the runnning rights from Westfield to St. John, they have been charging the New Brunswick Government with those running rights ever since the operation of the road began; and we do not want them to go back on us again in connection with the construction of this branch line.

The report of Mr. Gutelius to Mr. Cochrane —I do not think it is necessary to read it all —is dated February 5th, 1917. It says:

On account of the large proportion of through rates which the Canadian Pacific Railway demand for Maritime Province business destined to the States over their lines from Fredericton or St. John to Vanceboro, a large volume of Forest Products business in New Brunswick is shut out of the New England market, and that which does move is taken via Transcontinental and Intercolonial around by Chaudiere and Montreal. A direct connection with American Lines is therefore advisable.

Then he goes on at some length to discuss the branch line from Meductic to Bancroft, which was afterwards abandoned. Accompanying that report was one addressed to Mr. Gutelius by Mr. C. B. Brown, discussing all the different proposed ways of connection. One was with the Bangor and Aroostook via Lindsay and Littleton. Another was via the Bangor and Aroostook to Woodstock and Houlton; another with the Maine Central via Meductic and Brancroft; another was via Kingsclear and Vanceboro; and a fifth was with the Maine Central via Kingsclear and Calais.

There is some further matter to which I wish to call your attention in that connection. There is a letter from Mr. Gutelius to Mr. Cochrane of August 6, 1915, stating:

This would give proper railway facilities to the entire district north of Centreville without requiring any of the farmers to haul more than four or five miles, and if you like, I will make this suggestion to the local Government and may be able to arrange with the bond-holders to eliminate the northern seventeen or twenty miles.

That was the proposed construction north. That was really done at the request of Mr. Gutelius and the Dominion Government. But listen to this letter to Hon. Dr. Reid from Mr. Gutelius, dated February 28, 1916. It deals with the whole situation of the St. John and Quebec Railway, and the cost of the bridges; but the part which is germane to this issue comes towards the last. He says:

It is recommended that the New Brunswick Government be urged to take up and consider a route on the west side of the St. John River, and that a connection be made with the C.P.R. at a point at or near Westfield where the construction of the St. John & Quebec Railway shall terminate. If this is acceptable then the Dominion Government will secure

from the Canadian Pacific Railway running rights from the point of connection to St. John over the Canadian Pacific Railway on some reasonable basis to be arranged. . . .

That was the arrangement at that time upon which the provincial Government relinquished its right to have those bridges built, and that has not been carried out by the Dominion Government. The letter further goes on:

It is further proposed that in view of its proximity to the Maine Central Railway, a connecting link be constructed between the St. John and Quebec Railway and the Maine Central Railway.

That was another part of the proposition. It proceeds:

A connection of this character would give the city of St. John a second independent railway connection with New England; besides it provides a short line to New England points from the central and northern portions of the province. It would become the Canadian Government Railways main line for forest products business destined to New England points from the railways under our charge tributary thereto, and would enable us to secure a better division of through freight and passenger rates than we are able to secure at present by the more circuitous routes.

That was the proposal made at that time, and on that proposal the New Brunswick Government abandoned the idea of striking down the east side of the river, and constructed down to Westfield instead.

Now, I say this, that if this railway is constructed as proposed, it will be a great benefit to the St. John and Quebec Railway, or the Valley Railway, as it is known. It will give us our 40 per cent of the earnings over a small portion of the line, and it will also stimulate business over the whole line. At present, under the arrangement with the Dominion Government, we are receiving 40 per cent of the gross earnings, which means only a little over $100,000 a year, and our loss on that railroad in interest is about $260,000 a year. The provincial Government has memorialized the Dominion Government to take over that railway, as has been done, I believe, in the case of every railroad on which there were guaranteed bonds, which are now operated by the Canadian National Railways. I believe it is correct, as stated in this memorial, that the Canadian National has assumed a liability of over $100,000,000 of guaranteed bonds of other railroads in different portions of Canada, whereas in New Brunswick they have not assumed the guaranteed bonds of the Valley Railway, which they are operating. All we get is 40 per cent, which leaves us a deficit of over $260,000 a year.

Hon. Mr. REID: But how much do we lose?

Hon. Mr. ROBINSON: I do not know.

Hon. Mr. REID: We lose about $350,000 on the same road.

Hon. Mr. ROBINSON: I say the New Brunswick Government is not getting the same treatment as other roads which the Canadian National is operating; and if there is anything that the Dominion Parliament can do to relieve the situation in New Brunswick in view of all the facts, I think they are in honour bound to do it. They are in honour bound to build this branch line, because that was part of the arrangement. They have already gone back on the New Brunswick Government as far as paying the cost of running rights over the piece of C.P.R. from Westfield to St. John is concerned. Now they want to go back on the proposition to build this branch line, which would be of such tremendous advantage to the shippers of the Maritime Provinces, to the Canadian National Railway itself, and to the province of New Brunswick by relieving them to a very large extent of the interest on their bonds.

Hon. Mr. GORDON: I think the honourable gentleman has proved to his own satisfaction and to that of a majority of members of this House that there was a shortage of cars in 1921; but I want to tell him that the same condition existed in all parts of Ontario, and that shortage could not have been caused by the proposed line down there not having been constructed. While the honourable gentleman has put up a very good argument as conditions exist to-day, I do not think his argument with regard to building that road is worth anything.

Every one knows that the whole hue and cry of the railroads in Canada is that they cannot make money where they do not get the traffic. This amendment practically means that these two railways should go into a partnership to operate that road, thus securing much more traffic for it than they could get by building the proposed road.

The whole argument for the building of this road appeared to be that the Canadian National Railways could thus obtain a proper proportion of returned cars. I would like the honourable gentleman to tell how that could be done. How can they obtain one car more by running their own cars down to the border and bringing them up by their own steam to Fredericton? There cannot possibly be any way by which the number of those cars can be increased. The building of the proposed line will not give them one car more than they could get in any other way; there-

fore why put the country to this expense of over a million dollars?

My faith in the officials of the Canadian National Railways has been a good deal shattered, because they came to us in the first place with a proposition and put up what appeared to me to be good arguments in favour of the construction of that road, by telling us of the trade they were going to acquire, and the many benefits they would derive from it. I am talking from the point of view I gained in the Committee. It appeared to me up to a certain point that a certain road should be built. Afterwards something would occur. The Committee would adjourn, and the next day we would perhaps have another officer there, and he would give us information that would lead us to believe that the whole proposition was a fraud. So I say I have lost faith in that kind of business.

Here we are, stumbling under a load which is even now almost impossible to bear. We are going on voting millions and millions of money in the most reckless way. But where is the money to come from? Some members are talking about these millions of money as if it was to be found on trees, or else they think there is nothing to do but sign bonds. If this kind of thing goes on a few years longer, we will be somewhat in the position of Germany, and will have to get over here some of their machines for printing money.

From the way this matter was brought before us last year, when the Government sought to have these 26 Bills put through this House all in a block, or not at all, and their coming to us this year, when their own officials point out not only one but several branch lines which they themselves think should not be built, or which will never pay, is it any wonder that we are commencing to lose faith in those officials who try to deceive us? With regard to this particular branch line, I would be more pleased to have the privilege of voting against the Bill than to vote for the amendment.

Hon. Mr. DANDURAND: Honourable gentlemen, I cannot allow sweeping statements to be made by a responsible Senator in this Chamber, that the high officials of the Canadian National Railways who appeared before us tried to deceive the Committee, and that they contradicted themselves in many instances on material points in such a way as to shake the confidence of the members of the Committee in their veracity or their reliability. The action of that Committee disproves the affirmation of my honourable friend, because the Committee passed and reported favourably upon 21 Bills out of 26. It seems to me that when we are dealing with officials who cannot defend themselves in this Chamber, but who could have defended themselves in Committee and answered such an odious charge, it ill becomes a member of this Chamber to be so prodigal of such accusations. These men have their whole past career to their credit, and they have a standing in the community. It was said before us in the Committee that they were a group of men of whom we should be proud; and yet the yellow papers to-morrow will not feature the important series of arguments bearing upon the matter which is before us, but they will seize upon anything that will satisfy the morbid desire of the public to besmirch public officials.

Hon. F. B. BLACK: Honourable gentlemen, I suppose that coming from the province of New Brunswick it would naturally be expected that I would be an advocate of the expenditure of this money in my own Province. I want to say to the gentlemen who are present that as far as possible I have endeavoured to view every one of these railway Bills from a national, and not from a local, standpoint. There are some of these branch lines that I believe should be built; but there are a large number of them which, in my opinion, it would be absolutely injudicious to proceed with at the present time. A number have passed which should not have passed. I say this because I do not believe that the country is to-day in the condition in which it ought to be to meet these additional expenditures, especially along the line of railroad development, when that development is costing this country millions upon millions every year.

I listened with a good deal of interest to the remarks made by my friend, the honourable member from the city of Moncton (Hon. Mr. Robinson), and I want to congratulate him upon having arrived at the solution of one problem: he has at last found how it was that the great financial break-up or depression of 1921 was brought about—because we had no connection through Vanceboro with the State of Maine, and therefore the price of lumber, from Nova Scotia to Quebec, collapsed.

I want also to call attention to another matter to which he referred, and with him I am in entire sympathy. That was the obligation that was undertaken by the Dominion Government in connection with the construction of the Valley Railway in the province of New Brunswick. I quite agree that the

Dominion Government is under an obligation to take over that road in toto. They have it under a 99-year lease, but it is a continual burden to New Brunswick.

Furthermore, we have this day passed in this House the acceptance of railways for the Western Provinces which entail an enormously increased annual expenditure for the next 25 or more years on the taxpayers of this Dominion, and we in the Province of New Brunswick have just as much right to obtain fair treatment from the Dominion of Canada as have those favoured western communities which are having roads built into their remote parts. So far as that goes, I am thoroughly in accord with him. I only disagree in this particular, that the building of this road does not solve the problem of the St. John Valley Railway. We will still be bearing 40 per cent of the operating cost of that railway.

Another point to which I wish to draw attention is that this particular route entering the New England States was suggested by Mr. Gutelius some eight years ago. It has been suggested by others interested in the railway situation in Canada. But there is a condition that has apparently been lost sight of not only by the honourable member from Moncton, but by the honourable leader of this House, and by those who are advocating this particular cause in the Railway Committee.

Four or five years ago there was only one rail gateway from the province of New Brunswick or the Maritime Provinces into the United States. I heard it stated twice before the Committee that there was still only one gateway. That is an entirely erroneous statement. Not long ago the Government, or the National Railways, took over the International Railway, which runs from Campbellton in New Brunswick to Edmunston in New Brunswick. That road is now operated as a part of the Canadian National Railway System. It has direct acess into the United States, and as a matter of fact it is now the second gateway from the Maritime Provinces into the New England States. linking up at the border with the Boston and Maine. In order that honourable gentlemen may appreciate what that means, I want for a moment to consider where the traffic comes from in the Maritime Provinces that goes into the United States, and what it is so far as car traffic is concerned. It consists of two things, and practically only two, in large volume—lumber products—pulp, paper and lumber; and some seasonal products such as potatoes. Until the present tariff was put into effect in the United States there was a very considerable shipment of potatoes during the fall of the year into United States. It is now very much less than it was even two years ago, because their tariff makes it prohibitive to get our potatoes into that country. The greater part of that traffic, which originated in part on the Canadian National Railway and in part on the Canadian Pacific Railway, is now diverted, and goes very largely to the Southern States and the West Indian markets, and is carried very much more largely by water than by rail.

When you take the lumber and lumber products that go into the United States, how much of them go through this gateway? A very small proportion—an increasingly small proportion, as might be expected. In the past the lumber that went by Vanceboro was that portion from the Maritime Provinces which went into the New England States some to Boston, some to New York and adjacent points. It did not go there entirely, because those special points had their distributing agents. They were mainly brokers for the whole eastern and central States, and they were purchasing for distribution west and south. That is entirely changed, and now there are lumber buyers and brokers in almost every town, large or small, in the United States, who are coming into New Brunswick, Nova Scotia and Quebec, and buying those products and taking them into their own towns direct.

Suppose we just consider the pulp. There is a pulp-mill in St. John, and pulp or paper that is manufactured in that mill will almost from necessity go into the eastern States through Vanceboro by the C.P.R., which is a direct route. The next pulp-mills are in Bathurst, on the north shore of New Brunswick, and in Edmundston. How will the products of those mills go into the United States? If the Bathurst people want to ship, they will go to Campbellton, thence to St. Leonard's and across by the B. & M. to Bangor, which is about 60 miles shorter. The same applies to the mills at Edmundston and to practically all the lumber that goes out of the Northern part of New Brunswick and Nova Scotia as well. Furthermore, the Canadian National Railway wants to take that lumber by the long haul. If they are taking it from Amherst or Truro to Boston, or some coast port in Maine or Massachusetts, they naturally take it to St. John over the Canadian National Railway, and then in over the Canadian Pacific, and up to the few particular points I have mentioned; but a very small proportion of the traffic goes that way. My honourable friend (Hon. Mr. Robinson) was a large shipper from the bay ports, and he knows

that nearly all freight went by schooner from the bay ports to Boston and New York. It is going by schooner to-day because it is a cheaper and more expeditious way of shipping it. Suppose the lumber is going to Central United States points, the C.N.R. would take it from Sackville or Amherst and points East to Moncton, from Moncton straight up past Campbellton and into the United States via St. Rosalie Junction or Rouse's Point a shorter haul right through; and the real fact, honourable gentlemen, is that we have had dinned into our ears the enormous value of the traffic that goes across this way, and on which the C.N.R. is losing money, when, as a matter of fact, it is simply a means of special pleading in order to becloud the real issue.

I have not a word to say against the C.N.R. officials urging the building of this road. They are in this position. This is a large wholesale business. They are managing one branch of this business that we are carrying on in Canada. As heads of that branch, they want to make just as good a showing as the C.P.R. does, and a little better. They will advocate everything possible to take business away from the other road and get it for themselves. But, after all, we are the directors of this Dominion of Canada, and it is up to us to see that an ordinary, reasonable distribution is made, and that in the public expenditure economy is kept in view. Therefore I make no criticism, except in this particular: that when there is an opportunity in the interests of the people of this country to save money by a mutual agreement, it is up to the railways to make that agreement and not to ask the people of this country to spend millions of dollars in order that they may be in a position to say to the C.P.R.: "We can go that way as well as you can."

I have endeavoured to demonstrate that, so far as the freight is concerned, this road will make very little if any difference; and I want to say, therefore, as a resident of the province of New Brunswick and as a shipper of products that go over the railways —though not a very large one—that if we are going to build any of this road we should build it all. As to building the little piece between Kingsclear and Harvey, if that is done, we will after all have to go over the C.P.R., and we will not be a bit bettter off than we are now. On the other hand, we will have a very much larger deficit, and a little more interest to pay annually. Let us look at that for a moment. We were told that this branch from Kingsclear to Harvey would cost $800,000. We may have our own opinions as to whether it will cost more. I am quite willing to take the figure of $800,000 as the basis of the computation. We were also told that the C.N.R. paid to the C.P.R. $240,000 for all the freight they carried for the C.N.R. What does that mean? That is not a very large volume of business when it comes to the building of railways. But suppose that the Government—because, after all, it is the Government—invests $800,000 in this branch. At 5 per cent, that means that we have an annual charge of $40,000. Now, I look at the cost of operation of the C.N.R last year, and I find that every dollar they earned cost this country $1.20. Suppose then—and it is a fair assumption to make—that we build this road and that we carry the total amount of freight that was carried last year, and that on that we lose 20 cents on every dollar. What is going to be the result? The result will be that we will have an increased annual interest charge of $40,000, and an annual loss for the extra freight carried of $48,000. In other words, we will have an annual increased loss of $88,000, taking the railway's own figures for it. And the result will be what? We will develop no new territory. We will decrease by this $240,000 the earnings of the C.P.R., which, after all, is a Canadian institution. The country will pay the bill, and the country gets no benefit. The province of New Brunswick does not get rid of its Valley railroad. In other words, we calmly sit down and propose to add $88,000 as a minimum increased charge for the sake of allowing the C.N.R. to compete for 14 or 16 miles with the C.P.R. That is not my idea of business, and I do not think it is the idea of the people. We have had too much of that kind of thing—investing $5 to loss $10, or investing $1,000,000 in order to lose $2,000,000. In this country we are carrying a burden to-day that the people can ill afford to carry. We are taxing people to such an extent that there is no inducement for them to go into the development of industries or of our natural resources. We have to keep our expenditures within reasonable limits so that we may see that rainbow the end of which we all hope to reach when this country has got out of the present Slough of Despond.

I am going to support the amendment.

Hon. Mr. GORDON: I would like to say just a word in reply to the honourable the leader of the Government in this House, because I know he always wants to be fair. I would like to recall to his mind—my mind is quite clear upon it—that not very long ago in the Committee a certain official appeared before us, and when asked whether a road would

pay—I think it was Bill 33, and there had already been spent upon it something over $5,000,000, and it was proposed under the Bill to make a further expenditure of $2,300,000—he said distinctly that he did not expect the road could make any revenue on the $5,000,000 already spent, but that he could assure us that there would be a revenue on the $2,300,000 which it was proposed to expend. Does the honourable gentleman remember that? That is the Kamloops road.

Hon. Mr. DANDURAND: Who was the gentleman who answered that?

Hon. Mr. GORDON: I do not want to mention names.

Hon. Mr. DANDURAND: I believe that once or twice, or perhaps three times, Mr. Ruel, the Chief Counsel, gave an answer off-hand to a question that was put, and when pressed for direct information he said: "I would rather Mr. Gzowski or Mr. McLeod answered this question." One knew the locality better than the other, and there could have been at times some difference of opinion; but the sincerity of both was apparent, because one referred to the other for better information.

Hon. Mr. GORDON: I am not impugning his sincerity at all, but at the same time he made the statement that I have indicated. Last night I was not present at the Committee, but I understand that another official of the Railway appeared before the Committee and said that if this Bill passed the road would pay a substantial revenue not only on the $2,500,000, but on the total cost of $7,500,000. I am credibly informed that that is what happened last night, and that that was one of the reasons why this particular Bill was recommended. What I complain of is these discrepancies in the statements placed before us. We have only these to judge by.

Let me say further—because I do not want the leader of the Government to misunderstand my position at all—that when another road in the far East—

Hon. Mr. DANDURAND: Let us settle this one. In this case the Chief Counsel stated that Mr. McLeod knew every foot of the ground, and could better inform us in regard to it, and we postponed the question for further information because Mr. McLeod was not there. He was present last evening.

Hon. Mr. GORDON: My opinion of Mr. McLeod is of the highest. I think he is a good engineer, and a man who has proved his worth for the last twenty-five or thirty years. But I submit that it is possible that he may be more of an engineer than a traffic man. These are the things I complain of, because we are supposed to take the word of these officials, and it seems to me that they should come together and arrange upon something before coming to us, and they would then be able to give us something definite to go by. If we get one line of argument at one time, and another at another time, see how misleading it is.

In the case of another railroad which was to be built down in the East—the Guysborough road—I must confess that on the presentation of the case in the early stages it appeared to me from the representations made by the officials that it was a line that should be built.

Hon. Mr. DANDURAND: My honourable friend has forgotten that that information which swayed him was not given by the officials, but by representatives of the district who were here. He knows to whom I refer.

Hon. Mr. GORDON: My memory is fairly good, and I think the best recommendation we had from outside parties was from Mr. Cantley.

Hon. Mr. TODD: Mr. Chairman, is not this discussion entirely out of order? We are discussing the Kingsclear-St. Croix Bill.

Hon. Mr. GORDON: If my honourable friend will possess himself in peace for just a few moments, I will be through.

Some Hon. SENATORS: Question.

Hon. Mr. TODD: We have tried to possess our souls in peace for the last half hour.

Hon. Mr. GORDON: The day is long. What I was going to say in reference to that was that I found in the Committee that the information we got depended upon the questions which we asked these officials. There was no one here representing the Railway Company who came with a concrete statement showing just what we might expect from the passing of the Bill and the construction of the road. There was nothing other than the general statements which were made by the President of the road, and which were certainly anything but enough upon which to pass all the Bills.

Hon. Mr. DANDURAND: This is one of the Bills that was postponed in order that we might hear Mr. McLeod.

Some Hon. SENATORS: Question.

The proposed amendment was agreed to.

Section 6, as amended, was agreed to.

Sections 7 to 9, the schedule, preamble and title were agreed to.

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill, as amended.

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

NIPAWIN BRANCH LINE BILL

REPORT OF COMMITTEE—BILL NOT AGREED TO

Hon. Mr. BLAIN moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours to whom was referred Bill 40, an Act respecting the Construction of a Canadian National Railway Line either to Mile 41 near Nipawin or in a northeasterly direction to a point in Township 48, Range 13, west of the second Meridian, in the Province of Saskatchewan.

Hon. Mr. DANDURAND: For the information of the Senate I may say that this Bill was thoroughly examined by the Committee and adopted, but the motion to report the Bill was lost. I do not know whether or not it is expected that the Bill may be taken up again and further studied. As to the future, I am unable to give any explanation or assurance to the community which is interested in the proposed branch line.

The motion was agreed to.

RADVILLE-BENGOUGH-RITCHIE BRANCH LINE BILL

CONSIDERED IN COMMITTE—THE BILL REJECTED

On motion of Hon. Sir James Lougheed, the Senate went into committee on Bill 54, an Act respecting the Construction of a Canadian National Railway Line from or near Radville, Bengough or Ritchie, in the Province of Saskatchewan, as reported by the Standing Committee on Railways, Telegraphs and Harbours.

Hon. Mr. Beaubien in the Chair.

Hon. Mr. ROBERTSON: Honourable gentlemen, dealing with the Standing Committee's report on this Bill, I would like to call the attention of the House to a few facts that have led up to the situation as it now faces us, because I think it is somewhat out of the ordinary and needs further consideration.

Last year the schedule of branch line proposals submitted to Parliament by the Government included a line in southern Saskatchewan known as the Bengough extension. Along with all the rest of the proposals made last year, it fell by the wayside, and at this Session it is not even asked for in the programme submitted. In its stead there comes to Parliament a proposal to build 115 miles of railroad from a point called Radville, in southern Saskatchewan. The former proposal was to conduct about 40 miles. We found, on investigating this Bill in the Railway Committee that there were some representatives of the Government—I think even members of the Government—who were strongly in favour of the line being built from Radville, a distance of 115 miles, at an expense of three and three-quarter millions of dollars, to say nothing of the 15 per cent leeway granted in one of the clauses of the Bill.

Another group, representing a substantial number of settlers in that locality, proposed that the line should start from a place called Ritchie and extend for 71 miles, the cost being two and a quarter millions of dollars.

Still another group, representing settlers in the locality to be served, asked that the line be extended from Bengough, or a point near there, for a distance of 48 miles.

The Committee, after exhaustive hearings, was unable to bring about any agreement among the contending factions who appeared before it, each wanting the line built from a different starting point. It appeared that a similar difficulty had developed in the other House when the Bill was under discussion there because it came over to the Senate in an amended form, with the recommendation that the line be built from one of the three points, the determination of the point being left to chance, or the toss of a coin, or some such method. It was simply a gamble whether we should spend one and a half millions, two and a quarter millions, or three and three-quarter millions, on the building of a branch line somewhere in that section. Nobody could agree on the exact location.

The Committee, in its wisdom—and I assume responsibility for making the suggestion—decided to leave the matter to the Board of Railway Commissioners, with instructions to make an investigation and determine from which of these points the line should be built.

Now a new situation has developed. It is found on further inquiry that the Board of Railway Commissioners have not the ultimate authority or power to determine the question, but that such power rests, under

Section 52 of the Railway Act, with the Government itself. Our information is that the Government, or at least some influential members of it, are determined that the longest line shall be built; that three and three-quarter millions shall be spent on a route through a territory in which the Canadian National Railways themselves never asked to build a line; for they came to us last year with the other proposal. While I cannot prove it, I am absolutely satisfied that the change in the route and the increase in expenditure of over $2,000,000 are not due to the suggestion of the Canadian National Railways at all. In view of these facts and the further fact that there are fewer people to be served and less business to be done on this line than on some of the others with which we have already dealt to-day, I feel that we should be making a serious mistake were we to approve of or authorize the construction of this line at the present time. Therefore I move that the Committee rise.

Hon. Mr. WILLOUGHBY: I have a word to say, Mr. Chairman.

The Hon. the CHAIRMAN: I am afraid I shall have to declare that there can be no discussion on a motion of this kind.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. WILLOUGHBY: I think there is clearly the right of discussion.

Hon. Mr. DANDURAND: A motion that the Committee rise can be discussed.

Hon. Mr. WILLOUGHBY: That is a motion to kill the Bill.

The Hon. the CHAIRMAN: May I call the attention of honourable gentlemen to Bourinot, page 350:

> A motion for the adjournment of debate is not debatable nor can it be amended. It may not be moved in a Committee of the Whole House, the analogous motion in Committee being, "That the chairman do now report progress and ask leave to sit again." or, "That the chairman do now leave the chair."

—which I understand, is the motion that has just been made. Therefore I must hold that there can be no discussion on the motion.

Hon. Mr. DANDURAND: We have gone into Committee to study a Bill. If any honourable member moves that the Committee rise, do we not study the Bill?

Hon. Mr. MURPHY: That settles the Bill.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. GILLIS: Mr. Chairman, I do not think there is any doubt at all about the motion being debatable. It is a wide-open motion. It would be an outrageous thing that a motion that the Committee rise could not be discussed.

Hon. Mr. LYNCH-STAUNTON: You have to amend parliamentary procedure.

Hon. Mr. MURPHY: The Bill is dead now.

Hon. Mr. DANDURAND: I suppose my honourable friend (Hon. Mr. Robertson) does not mean that his statement must stand unchallenged, or that his motion should prevent any discussion on the merits of this proposed measure. There are many ways of rejecting a Bill. A Committee may rise, or may reject a Bill on division, or the House may defeat it on the third reading. At any rate, I would require more than a hurried examination of the authorities before accepting the decision that there can be no discussion on a motion that the Committee rise. Perhaps the House will consent to a discussion of the proposal. Surely honourable members will see the undesirability of deciding on an important measure without the fullest opportunity being given for an expression of opinion.

Hon. Mr. ROBERTSON: In reply to the suggestion of my honourable friend the leader of the Government, I desire to say that I have never attempted to prevent discussion or take a dictatorial attitude on any measure that has been before this House; but I do take this opportunity of reminding my honourable friend that about five years ago a measure which to me was very important was under consideration in Committee of the Whole, just as the present proposal is; a motion was made that the Committee rise; the Committee did rise, and my Bill was killed.

Hon. Mr. DANDURAND: But my honourable friend had an opportunity of explaining its merits.

Hon. Mr. ROBERTSON: So far as the ruling of the Chair in this case is concerned, I heartily concur in it, believing it to be in accordance with the rules, but I will not at this time insist, even though it is my right under the rules to insist, that the debate be closed. Perhaps it would be better not to withdraw my motion, but it is not my intention to shut off debate. I have no objection to the matter being discussed at as much further length as the House desires, before passing upon it.

Hon. Mr. DANDURAND: May at page 378 says:

The proceedings of a committee on a bill may be brought abruptly to a close, by an order, "That the chairman do now leave the chair;" or by a proof that a quorum is not present. The Chairman in such cases, being without instructions from the committee, makes no report to the House. A Bill disposed of in this manner disappears from the order book; though it can be revived by an order of the House.

Hon Sir JAMES LOUGHEED: Let the question be discussed.

Hon. W. B. ROSS: Withdraw the motion.

Hon. Mr. DANDURAND: I knew very well that my honourable friend (Hon. Mr. Robertson), after indulging in an aspersion upon a member of the Government who he claimed was bent upon the expenditure of three and a half millions instead of one million, did not intend to prevent an answer being made to—I will not say his assertion, but to the inference which he has drawn from I know not where. I prefer to leave the answer to an honourable member of the Senate who knows the conditions.

All that I have to say is that when I entered the Committee I knew nothing about the merits of this proposed branch. Representatives came all the way from Radville and that district and presented their case. A representative from a soldier settlement, who was wounded during the war, came limping into the room; we had before us the Minister of Agriculture of Saskatchewan, and we heard other persons who were familiar with the situation. They made the best case they could for the building of this road. My honourable friend, who was present during the whole of that debate, who understood that there was a considerable discussion among the people of that district as to the location of that line, and heard the wrangle among the people who wanted the railway a little nearer home—because there were dissenting parties—drafted in all seriousness the amendment which is now favourably reported upon. He suggested that the decision as to the best route should be left to the Railway Board. I thought that there was considerable merit in his proposition, and after a considerable discussion in regard to the large expenditure, and after hearing all the C.P.R. officials who had been building lines along the American border in the east and the west, we rallied to the suggestion of my honourable friend. He carried the day, I dare not say unanimously, because I am checked when I say that; but, at all events, I can give him credit for having had considerable success.

Now my honourable friend disowns his child, and says that he feels that there is some obscure or mysterious influence that would bring about the expenditure on the longer line. But he chose his own tribunal. I was but one member of that Committee, and it seemed that we all agreed, after the representations made, that if we wanted to retain the population in that district, which was some 10 or 15 miles from the American line, we should decide on that expenditure.

In defense of the reputation of the Committee I may mention that we did not go into this matter lightly. We may change the line, the Committee's report may be rejected, but I would not like that, on such a statement as that made by my honourable friend the ex-Minister of Labour, we should dispose of this measure and allow other members of the Senate who were not present in the Committee to think that we did not do our duty. I have said before that I hardly ever sat on a Committee that was so eager to do the right thing by the country. We have erred, for we are not infallible, but there were always from 15 to 25 members of the Committee present; and it will be for those in the Senate who know more about that locality to raise their voice and say whether the Committee erred when they arrived at the conclusion which is contained in the report.

Hon. Mr. ROBERTSON: I would like to congratulate my honourable friend upon fairly stating the facts. I did as he said, and was the author of the amendment and supported it; but at that time I thought and believed that the Board of Railway Commissioners would be the final court of appeal. Having changed my view on that material and important point, I naturally do not feel as I formerly did towards the amendment. However, I will withdraw my motion now, and we can test the feeling of the House on the individual clauses, and I will not further delay consideration of the Bill.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I want to say a few words in regard to this Bill. I will not go over the statements of the various farmers and others who appeared before the Committee and demonstrated to my satisfaction, even in the matter of listening to evidence, the desirability of building that road. I can supplement that by my personal knowledge and by my attendance with delegations to the old Canadian Northern Railway to induce them to build the road.

Unfortunately for the settlers themselves, I think there has been a continual bickering in that district as to where the road should be located. The first trouble before the old Canadian Northern was the question of building the road from Bengough into the village

of Willowbunch, or south of Willowbunch into the arable district. It took a long time to get them together on that. Then, since the Government has taken over the railways, we had the agitation for building the line from Bengough which has been referred to by the honourable member from Welland (Hon. Mr. Robertson). If that had gone through last year, or perhaps even this year, though it might not have given satisfaction to everybody, I think it would have furnished a certain amount of accommodation to the people in that district. Personally I think it was unfortunate that the agitation arose for building the line around by Radvilles, which is a long stretch of 115 miles, and increased the expenditure to about $2,700,000. On the three projected roads, the evidence of Mr. McLeod was that the average cost per mile would be about the same. Knowing the district as I do, I believe it could have been served by a railway running south from Ritchie, though it would not tap all the district, and still leave some townships at a considerable distance from a railway.

On the whole, I think we have been fairly treated by the Senate. We have seen some Bills fall down on the third reading, but the Senate has taken a fair attitude towards the railway problems of the West. I wish to pay that tribute as a Westerner, for I know that there are points in the East that are not yet served with proper railway facilities. I think members of the Senate, as a whole, have been reasonably fair in dealing with our wants for construction of branch lines in the West. I was not a member of the Railway Committee, but by their courtesy I was allowed absolute latitude in urging the building of our roads and calling witnesses in favour of building the same road. The honourable gentleman from Welland moved the amendment to which the honourable leader has referred, namely, of leaving it to the Railway Commission. If honourable gentlemen will examine the Railway Act they will find that the final authority for dealing with any order made by the Railway Board lies with the Government.

Hon. Mr. DANDURAND: By appeal?

Hon. Mr. WILLOUGHBY: Not only by appeal, but by direct legislation. I am not going to deal with that point at length now, but I am satisfied on the subject. I went to Mr. Ruel, the counsel for the Canadian National Railways, who told me of one specific case where the Railway Board was overridden by the Governor in Council in a matter analogous to this.

I should have liked, if this Bill had been favoured, to have further amended the report by adding to the end of one amendment the words:

And that the action of the Railway Board should be final.

That would absolutely fix the jurisdiction finally with the Railway Commission. It would be a great boon to the Government if that amendment had been put to the Bill, because the Government will be absolutely inundated with delegations from that part of the country should they find that the action of the Railway Board can be examined into and set aside by the Government of the day. The Government would have saved themselves a great deal of trouble in that way, because this is extremely debatable ground out there. I do not know how many delegations have come to the Government on this question.

Without moving an amendment such as I suggested, I am sorry that my honoured leader has not been willing to concur in the building of this road. While it is perfectly true that some new settlers have gone in within the last few years, I am very sorry that more have gone out than have gone in.

Hon. Mr. DANDURAND: Why?

Hon. Mr. WILLOUGHBY: I think for want of railway accommodation to some extent, no doubt. The line from Bengough was surveyed, as I understood Mr. McLeod; I think the line from Ritchie was surveyed; the line from Radville is only a reconnaissance. There is a portion of the line from Radville which is undoubtedly most unproductive, which runs along the Missouri Coteau, then by running east some distance it gets down into a good country. That country might not be served absolutely in every part by the line from Bengough or the line from Ritchie, but I realize that you cannot cover every isolated district in your province and bring railway communication within 10 or 12 miles, and I personally would have been satisfied, and I think the people of that district also would have been satisfied, had we given them a shorter line. I am borne out in that view by the evidence of the soldier who appeared before the Committee and virtually said, "For God's sake give us a railway to serve that people, let it start where you will." I think that would have been the attitude of a great majority of reasonable people in

that district, and if they had a railway from either Bengough, Ritchie or Radville they would have been satisfied.

That district has been settled for 40 years. It is one of the oldest in the West. South and southwest, 30 or 40 miles down the country is very well settled with a fine class of people, and for 20 years the old settlers have been waiting, hoping, always expecting that the next year would bring a railway. I am very sorry indeed that it should have been the opinion of this House to turn down a railway in that district for another year.

Hon. Mr. DANDURAND: But my honourable friend has not tested the opinion of the Senate. He seems to be discouraged by the first obstacle that he meets. I am sure that if he can convince the honourable gentleman from Welland that by adding a few words to his own amendment he will secure the final judgment from the Railway Board, all his doubts would disappear, and he would return to his first love, which was to let the Railway Board decide as between those three lines. I am in hopes that after hearing the parties the Railway Board will incline towards the opinion of Mr. McLeod, who said he thought that the branch which ends at Bengough should rather be favoured than if continued to White Lake.

If my honourable friend will move as he suggests, I am ready to take the benefit of his suggestion; but I would rather leave him the merit of curing the evil which my honourable friend from Welland fears. The Chairman of the Committee says we have not reached that section, but my honourable friend has given reasons why he would like to dispose of the Bill purely and simply by having the Committee rise. Of course, he has withdrawn that motion, but since the discussion rests on his amendment to the Bill, I would commend to my honourable friend the suggestion of the member for Moose Jaw (Hon. Mr. Willoughby).

Hon. Mr. ROBERTSON: My honourable friend the leader of the Government referred to the Minister of Argiculture from the province of Saskatchewan as having been heard advocating the building of this road. It is true that that gentleman was here, and he was heard advocating the building of the long road from Radville at a cost of $3,750,000.

Hon. Mr. DANDURAND: I do not remember.

Hon. Mr. ROBERTSON: He specially pressed that, not only before the Committee but elsewhere. I am not at liberty of course, to refer to details of what occurred elsewhere, but it was the doubt that arose in my mind after hearing some of those things that caused me to look into the Railway Act. Not being a lawyer, I consulted several of my legal friends in this House as to whether the leaving of this matter to the Board of Railway Commissioners would be better, or whether the Government could upset their decision. In the minds of two gentlemen thus referred to it was felt probable that the Government could not only reverse the action of their own Commission upon an appeal of someone, but that it could do so on their own motion. If that be true, as I believe it is and the honourable member from Moose Jaw has made mention of a remark that would seem to agree with that from Mr. Ruel, the general counsel of the National Railways I fail to see where a further amendment which my honourable friend now suggests, would change the situation.

Hon. Mr. DANDURAND: That the decision of the Railway Board would be final?

Hon. Mr. ROBERTSON: We might go on record here with an amendment that the Railway Board's decision would be final, but that would not in any way alter the action of the Government under the Railway Act.

Hon. Mr. DANDURAND: But Parliament is above the Government, and if Parliament says the decision of the Railway Board shall be final, the will of Parliament must prevail.

Hon. Mr. ROBERTSON: I have come to the conclusion that the amendment I offered to the Committee was a mistake, for the reason I stated, because I feel there is a determined effort on the part of certain gentlemen, not only in the Federal House but in the provincial Government, to impose on the people of Canada the construction of 115 miles of railroad, the most of which is not necessary, that would cost over $3,000,000; so I think we had better stand together, and agree that the matter shall stand over until next year, so as to see if the people can get together.

Hon. Mr. CALDER: I can scarcely let the statement made by my honourable friend from Welland go unchallenged. I was present at the Committee during the greater portion of the discussion on this railway, I think I heard everything that was said, and I have only to ask the one simple question from those who were present at that Committee during all the discussions we had. It is this: what witness did we have who advocated those three lines? what evidence had we that the people in that district were divided? I say, absolutely none. There was

only one gentleman who appeared before us, and that was a member from the other House, who had succeeded in getting the other House to change the Bill as it was originally brought down by the Canadian National Railways. That was a member of Parliament who naturally desired that the line should start farther west, so that it would go into his constituency.

Now, there are some fifteen or twenty or thirty members in this House who were present at the Committee during all the discussion; and again I say, and I say it very plainly and emphatically, that there was not one scintilla of evidence against the building of the line from Radville. I will let any honourable gentleman correct me if I am wrong.

Hon. Mr. ROBERTSON: May I ask my honourable friend to remember the physical difficulties that were mentioned and described by several people—that it was almost impossible for the Canadian Pacific to get through there, and that they had to abandon that territory years before, and turn north. Then it was proposed that the Canadian National should build through that territory.

Hon. Mr. CALDER: That is an entirely different phase of the situation. The Canadian Pacific Railway Company were building west from Estevan, and when they came to the Missouri Coteau they ran their line in a northwesterly direction. Evidence was submitted which showed that there were physical difficulties so far as the C.P.R. building either from the East or from the West was concerned; but I ask what evidence we had that there were difficulties in the way of the Canadian National. The Canadian National built from Maryfield out to Bengough, and they are over the Coteau, which is an entirely different situation.

The members of the Committee will remember that I stated that throughout that entire territory, which is all organized into municipalities, and all settled with municipal councils and school districts and churches, and everything else, the people were organized for railway purposes. There had been difficulties in regard to the location of this line —there is not an honourable gentleman of this House who would not like to get the line near him if he lived out there—everybody wanted it near his door.

Hon. Mr. WILLOUGHBY: On his neighbour's farm.

Hon. Mr. CALDER: Yes, that is only natural. As I stated to the Committee—and there is no evidence to the contrary—the whole territory for a distance of 100 miles has been organized for years past for the purpose of securing a railway. The councils of all those municipalities represent the people, and the council of every one of those municipalities has agreed on this line from Radville. Is that a fact?

Hon. Mr. ROBERTSON: No.

Hon. Mr. CALDER: It is a fact that was stated before the Committee by Mr. Hamilton, and no person can deny it. I say that during all our discussions we never had one single bit of evidnce to the contrary from any source, except a member of the other House who desired to have the railway go further West in order to have it run into his district. Are we going to deprive these people, who have been in there seven, eight, nine years—some of them twelve or fifteen years—of a railway to which they are entitled, simply because this bogy has been raised? I should not think so.

Hon. Mr. DANDURAND: But we can cure it.

Hon. Mr. CALDER: Yes, so far as that is concerned, if there is any doubt at all as to the power of the Railway Board to settle this question. Surely Parliament is supreme. Surely we can put in this Bill sufficient language to have it clearly indicated and settled that the powers of the Board, so far as the location of this line is concerned, are definite and final.

This is a very old question. The building of a line into that territory has been a problem for a considerable length of time. It has been before us for the last eight or nine years. As I explained to the Committee, the original intention of the C.N.R. was to head towards the Crowsnest Pass. Since then the C.P.R. has come into the western end of that territory, and the C.N.R. to-day has no intention of going to McLeod and Lethbridge and the Crowsnest. It is quite true that three or four years ago the Canadian National railway favoured the building of the line from Bengough. But the situation has changed. The Canadian National, when it submitted the Bill to Parliament, had decided that the line should be built from Radville. And why? The sole reason for that determination was that the people would be served best by building from that point. We all know the corner that is in there—it is a stretch of about 50 miles east and west, and probably 35 miles north and south; and unless this railway goes through that territory, or unless you build a spur from Radville, the people

in there are cut off practically for all time to come.

Hon. Mr. WATSON: Spurs are bad things.

Hon. Mr. CALDER: Yes, spurs are bad things. They are hard to operate, and they are costly. Just one more word, and then I presume this Bill is going to be killed.

Hon. Mr. WATSON: No.

Hon. Mr. CALDER: I think the attitude taken on the question of branch line construction is wrong. If the Canadian National Railway system is ever to pay, there is only one way it can be made to do so. If the Canadian National railway is to stand still it will never succeed. Unless we can get more people into this country, and hold the people we have got, and thus develop our natural resources and produce traffic, the railway will never succeed.

Members of the Committee will remember that I asked Mr. Ruel, one of the best officials of the C.N.R., one question as to whether or not there was a single branch line in the province of Saskatchewan that did not pay. You remember his answer. I do not care what honourable gentlemen think. Every opportunity existed to bring evidence before the Committee to prove the contrary, and no one challenged his statement. What was his reply? It was that he knew of only one possible branch line in the province of Saskatchewan that did not pay, and that was the one up to the Hudson Bay.

Mr. Ruel is one of the chief officers of the Canadian National railways; he has been with it for years, and knows the system thoroughly. He knows the traffic on these lines. If his statement is anywhere near true, what are we doing when we kill measures of this kind? We are strangling the Canadian National. Whether Canada has a big debt or not, is not the point. If Canada had the biggest possible debt, it would make no difference. If you can get the money to build these lines—and there should not be any difficulty about that—and the lines when built will pay, why should we not proceed?

Hon. Mr. ROBERTSON: Is it not true that Mr. Ruel was urged by the Railway Committee to make a statement as to whether the branch lines now proposed would pay, and that he specifically declined to make any commitment, but expressed the opinion that some of them—and this is certainly one of them—would not pay?

Hon. Mr. CALDER: Did he say this would not pay?

Hon. Mr. ROBERTSON: He said there were some that would not, and from our knowledge of all of them this certainly must be one.

Hon. Mr. CALDER: That may be. I did not hear Mr. Ruel make that statement. I would have liked to follow him up, if I had.

The position is this, in so far as our railways in western Canada are concerned. There is a deficit. But where does it come in? You have the very costly Transcontinental from the head of the Lake to Prince Rupert, and the costly C.N.R. all the way from the West to Ottawa and Montreal, and through the mountains. If it were not for the branch lines, the deficit would be very much greater; and unless you can develop the population and increase production and traffic for those railways, they never will pay. Many members of the House have been out West as long as I have, but I may say that I have never seen a railway go into new territory out there that did not within the course of three or four or five years enormously increase the population and production of that territory. I know the West from Winnipeg clear through to the mountains, and I have seen a tremendous development in my time.

Take this particular line. There are people who are at present twenty, twenty-five, thirty or thirty-five miles from a railway. They are not producing one-fifth of what they can produce if you give them the opportunity—they cannot do it—and the result is that hundreds of people, yes, many hundreds, have left that country, sick and tired of waiting for the railways they need. Is this going to continue?

I thoroughly agree with the principle laid down that unless you can see some reasonable promise of branch lines paying, they should not be built. On the other hand, if by building a line of this kind you can serve the people and increase the population, and the production and the traffic of the railway, then I say by all means go ahead. That is the position I hold, and I think the Senate will make a very great mistake if it kills this Bill.

Hon. Mr. ROBERTSON: To bring the question before the House, I move that the preamble be not proved.

Hon. Mr. LAIRD: I propose to be very brief in the remarks that I have to make on this subject, inasmuch as the ground has been very well covered by those who have preceded me. As a member of the Railway Committee,

I attended not one, but at least half-a-dozen sessions, some of them lasting almost all afternoon, when this branch line was under discussion, and I think that of all the branch lines considered by the Committee, this one probably received the greatest attention and the closest criticism. I think also that of all the railways proposed this one received more attention from and was recommended to a greater extent by representative deputations than any other road within the province. And after all the meetings, and after all the consideration given to it, the practically unanimous decision of the Committee—I think I may say it was unanimous—was in favour of reporting the Bill as it has been reported.

Objection is now raised to the action of the Committee, which was practically unanimous, that there were differences of opinion expressed among the people of the locality through which the road is to run. Suppose there were differences. As has been rightly said, there never was a railway constructed through an area as large as this when everyone was satisfied. So, we might fairly expect differences of opinion to exist in different parts of that country. From the fact that we were furnished with certified copies of resolutions passed by the united municipalities of the whole area through which this proposed road is to run, I think we can fairly assume that the differences have been settled. That expression of opinion, coming from the recognized municipal bodies, I think should be sufficient to satisfy this House that the final recommendation of the Committee was the right and proper one.

It has been said that, because there were differences of opinion among the people, the road should not be constructed. We do not depend on the judgment of the people as to whether or not a road is to be constructed. We depend upon the railway officials who make recommendations as to where it should run. It is only natural and proper that we should depend upon the Board of the Canadian National railways to recommend the proper location for this road. By the amendment made to the Bill, that matter was referred to the Railway Commission, which was even more satisfactory to the Committee than that the Railway Department should deal with it. Those of us who were on the Railway Committee, if we visualize the map that we had before us, not once, but a dozen times, will recall that probably the greatest area in the whole province of Saskatchewan which is not served by railways is this particular area through which it is proposed to build this road. It will be remembered that it comprises the whole southern part of the province, in which there are innumerable settlers who have gone in there and cultivated their land with the promise and the expectation of having railway transportation accorded to them. The people of that area are entitled to railway transportation, and the location for the particular place of the railway is a secondary consideration, because that is a matter that can be determined by the officials of the road when the proper time comes. It seems to me rather late to take objection, and to deny to the largest part of the province which is not at present served by railways, the facilities which the Committee recommended after all the consideration which was given to the matter.

Some Hon. SENATORS: Question.

The motion of Hon. Mr. Robertson was agreed to: yeas, 30; nays, 20.

The Committee rose.

Hon. Mr. DANDURAND: I notice that the Chairman of the Committee has not reported the Bill to His Honour the Speaker. I cannot lay my hand on the rule, but am under the impression that it is the duty of the Chairman to report the Committee's decision to His Honour the Speaker.

Hon. Sir JAMES LOUGHEED: I see no reason why he should not.

Hon. Mr. BEAUBIEN: I have no objection to doing so. It will be a sad message.

The Hon. the ACTING SPEAKER: As the proceedings of the Committee are not reported in our Minutes, I think it is necessary that some report should be made by the Committee of the Whole—either that the Committee has risen, or that the Committee has declared the preamble not proven.

Hon. Mr. BEAUBIEN reported from the Committee of the Whole.

The Hon. the ACTING SPEAKER: The Chairman of the Committee of the Whole reports that they have considered Bill No. 54, entitled "An act respecting the Construction of a Canadian National Railway Line from or near Radville, Bengough or Ritchie, in the Province of Saskatchewan. He has been instructed by the Committee to report that the preamble of the said Bill has not been proven.

Hon. Mr. DANDURAND: I move that this Bill be recommitted to Committee of the Whole for further consideraton.

Hon. Sir JAMES LOUGHEED: I take exception on the point of order. Once the Committee of the Whole has pronounced that the preamble has not been proven, the Bill cannot be during the same session be recommitted to that Committee.

The Hon. the ACTING SPEAKER: I am inclined to think that the motion is in order.

Hon. Mr. DANDURAND: The Senate having been apprised of the finding of the Committee of the Whole, it is now my intention to test the feeling of the Senate upon the Committee's report, in order that I may have the advantage of recording my vote. This is my only way of doing it. The votes given in Committee are not recorded, and surely when the Committee's report is made I have the right to ascertain the opinion of the Senate.

Hon. Mr. LYNCH-STAUNTON: Where is the authority?

Hon. Sir JAMES LOUGHEED: Put the motion, then.

The Hon. the ACTING SPEAKER: On looking at page 378 of May, I find the following:

> The proceedings of a Committee on a Bill may be brought abruptly to a close, by an order, "That the chairman do now leave the chair;" or by a proof that a quorum is not present. The chairman in such cases, being without instructions from the committee, makes no report to the House. A Bill disposed of in this manner disappears from the order book; though it can be revived by an order of the House. When a committee on a bill is revived, its proceedings are resumed at the point at which they were interrupted—having been valid, and duly recorded in the minutes, until the chairman was directed to leave the chair.

Then, at page 234:

> When an order of the day has been read, the proceedings thereon may be cut short by the adjournment of the House whilst those proceedings are in course of transaction, or before their resumption, when they have been postponed at a quarter-past eight o'clock. An order of the day, in such cases, or if, when the order is read, no day is appointed for its future consideration, drops off the notice paper, as the House has made no order thereon. In committee the same result may be produced, either by a failure of a quorum of the House, or by a resolution directing the chairman to leave the chair. To replace a dropped order of the day upon the notice paper, a motion is made before the commencement, or after the close, of public business, to appoint the order for a subsequent day.

That is, as I understand, the motion of my honourable friend.

Hon. Mr. DANDURAND: The chairman of the Committee of the Whole has reported the Bill to His Honour the Speaker. The question from the Chair then is: "When shall the Committee's report be taken into consideration?" Or if the Committee reports amendments to a Bill, the Senate is asked: "When shall these amendments be concurred in?" The Committee of the Whole has just reported that the preamble is not proven. I think the duty of the Chair would be to ask: "When shall this report be concurred in?" I have moved that the report be reconsidered by the Committee, but I am quite willing to withdraw my motion.

Hon. Sir JAMES LOUGHEED: That will be all right, but if my honourable friend's first motion were in order, the recommitting of this report might go on, and on, and on, like the brook, for ever.

Hon. Mr. DANDURAND: I withdraw my motion, and suggest that his Honour the Speaker ask: "When shall the committee's report be taken into consideration?"

The Hon. the ACTING SPEAKER: The question is, when shall this report be taken into consideration?

Some Hon. SENATORS: Now.

Hon. Mr. ROBERTSON moved concurrence in the report.

The motion of Hon. Mr. Robertson was agreed to on the following division:

CONTENTS

Honourable Messieurs

Beaubien,	McCormick,
Bennett,	McLean,
Black,	McLennan,
Blain,	Michener,
Blondin,	Mulholland,
Crowe,	Murphy,
Daniel,	Reid,
Donnelly,	Robertson,
Foster (Sir George),	Ross (Middleton),
Foster,	Sharpe,
Gordon,	Smith,
Green,	Tanner,
Lougheed (Sir James),	Taylor,
Lynch-Staunton,	Todd,
Martin,	White (Inkerman),
McCall,	White (Pembroke).—32.

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Honourable Messieurs

Boyer,	Laird,
Calder,	Ross (Moose Jaw),
Coté,	Schaffner,
Dandurand,	Thibaudeau,
De Veber,	Turgeon,
Gillis,	Watson,
Haydon,	Willoughby,
King,	Wilson.—16.

Hon. Mr DANDURAND: Honourable gentlemen, I would call your attention to the fact that the honourable member for Victoria (Hon. Mr. McHugh) has not voted.

Hon. Mr. McHUGH: Honourable gentlemen, I was paired with the honourable member for Toronto (Hon. Mr. Macdonell). If I had voted, I would have voted against the motion.

Hon. Mr. HARMER: I was paired with the honourable gentleman from Shediac (Hon. Mr. MacDonald). Had I voted, I would have voted against the motion.

Hon. Mr. GILLIS: Honourable gentlemen, I think the proper procedure in the case of any of these Bills that are objected to, is to have the objections brought in on the motion for the reception of the Committee's report. By the adoption of the last report we killed the Bill. In my opinion, in the case of opposition to any of these Bills, the discussion should take place on the motion for the reception of the Special Committee's report.

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

CONSIDERATION OF COMMITTEE'S REPORT

Hon. Mr. BLAIN moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours, to whom was referred Bill 32, "an Act respecting the Construction of a Canadian National Railway Line between Sunnybrae and Guysborough, in the Province of Nova Scotia."

The motion was agreed to.

DIVORCE BILL

SECOND AND THIRD READINGS

Bill P6, an Act for the relief of Mary Ann Hastings.—Hon. Mr. White (Pembroke).

PRIVATE BILL

THIRD READING

Bill B6, an Act to incorporate L'Institut des Frères de Saint Gabriel au Canada.—Hon. Mr. Béique.

BANKRUPTCY BILL

WITHDRAWN

On the Order:

Committee of the Whole House on Bill R3, an Act respecting the application of The Bankruptcy Act, 1919, to the province of Quebec.—Hon. Mr. Blondin.

Hon. Mr. BLONDIN: In view of representations I have received from different quarters I believe it would better serve the objects sought by this Bill if I would leave the matter to be dealt with in other quarters first, and I beg leave to withdraw the Bill.

With the leave of the Senate, the Bill was withdrawn.

PUBLIC LOAN BILL

FIRST, SECOND AND THIRD READINGS

Bill 217, an Act to authorize the raising by way of loan, of certain sums of money for the Public Service.—Hon. Mr. Dandurand.

BUSINESS PROFITS WAR TAX BILL

FIRST READING

Bill 219, an Act respecting the Business Profits War Tax Act, 1916.—Hon. Mr. Dandurand.

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

THE SENATE

Friday, July 4, 1924.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill T6, an Act for the relief of Henry George Stuart Johnston.—Hon. Mr. Planta.

SOUTHERN NEW ENGLAND RAILWAY

INQUIRY

On the Order:

Resuming the adjourned debate on the inquiry of the Honourable Mr. Robertson:

That he will call the attention of the Senate to the necessity and desirability of completing the Southern New England Railway; and will inquire from the Government as to its intention respecting it.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I move that this Order be discharged and placed on the Orders of the Day for Wednesday next.

Hon. Mr. ROBERTSON: I hope that my honourable friend the leader of the Government will be able to bring down some information in answer to this inquiry in the very near future, because it is a subject of vital importance to the Canadian National Railways, and merits the serious attention which I hope it has received at the hands of the Government. I trust we may expect an answer at an early date.

Hon. Mr. DANDURAND: I confess that I have had no opportunity of seeing the President of the Canadian National Railways. I expect to see him on Monday or Tuesday in Montreal, taking advantage of our short adjournment.

The motion was agreed to.

KAMLOOPS-KELOWNA BRANCH LINE BILL

CONSIDERATION OF COMMITTEE AMENDMENT

Hon. Mr. BLAIN moved concurrence in the amendment made by the Standing Committee on Railways, Telegraphs and Harbours to Bill 33, "An act respecting the Construction of a Canadian National Railway Line, Kamloops-Kelowna Division, Province of British Columbia."

The motion was agreed to.

BUSINESS PROFITS WAR TAX BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 219, an Act respecting the Business Profits War Tax Act 1916.

He said: Honourable gentlemen, this is a Bill which concerns the Business Profits War Tax Act of 1916.

Section 3 of the Business Profits War Tax Act, 1916, was the section which imposed the tax payable under that Act. It provided that:

> There shall be levied and paid to His Majesty a tax of twenty-five per centum of the amount by which the profits earned in any business exceeded, in the case of a business owned by an incorporated company, the rate of seven per centum per annum and in the case of a business owned by any other person, the rate of ten per centum per annum upon the capital employed in such business.

Section 26 of the Act provided as follows:

> The provisions of section Three of this Act shall not continue in force after the thirty-first day of December, one thousand nine hundred and seventeen.

So that unless revived by subsequent legislation the charging provision of the Act ceased to be effective after 31st December, 1917.

By section 4 of the 1918 amendment to the Business Profits War Tax Act, 1916 (Chapter 10, 8-9 Geo. V.), passed in May of that year, section 26 was repealed and the following substituted therefor:

> The provisions of section Three of this Act shall not continue in force after the thirty-first day of December, one thousand nine hundred and eighteen.

In 1919, in order to continue the operation of the Act to the end of 1919, section 26 as enacted in 1918 was in turn repealed and the following substituted therefor:

> Section Three of this Act shall not continue in force after the thirty-first day of December, one thousand nine hundred and nineteen.

This was passed in July of 1919 (Section one, Chapter 39, 9-10 George V).

In 1920 Section 26 as enacted in 1919 was amended by substituting the word "1920" for the word "1919" (Section two, Chapter 36, 10-11 George V.)

Hon. Mr. DANDURAND.

Certain taxpayers have resisted payment of the taxes found to be due by them under the Act for the years 1918, 1919 and 1920 on the ground that Section Three was inoperative by the end of 1917 and the language employed in the amending Acts was not sufficiently explicit to continue the operation of Section Three into 1918, 1919 and 1920. Their argument is, of course, that the section having ceased to be operative after 31st December, 1917, the provision merely stating that it would not be operative after a later date was not in itself sufficient to prolong the effectiveness of section three and to impose the tax.

This argument is not concurred in as it is considered that there is ample evidence to show that the intention of Parliament was to continue the operation of section three up to the end of 1920; but in order to obviate the necessity for prolonged and expensive litigation on the subject and in order to enable the taxes for 1918, 1919 and 1920 to be collected without delay it is considered advisable to introduce the present Bill. There is no doubt as to the intention of Parliament as expressed in the original Act and subsequent amendments and the present Bill makes no alteration whatever in the law. The vast majority of persons coming within the provisions of the Act have acknowledged liability for 1918, 1919 and 1920.

There is only one section to this Bill:

> 1. The Business Profits War Tax Act, 1916, and amendments, shall be construed and have effect and be deemed to have effect since its enactment, without lapse or interruption, as if section twenty-six when first enacted had provided as follows:
>
> "The provisions of section three of this Act shall not continue in force after the thirty-first day of December, one thousand, nine hundred and twenty;" and anything enacted inconsistent therewith shall be deemed to have been superseded, amended or repealed, as the circumstances may require, and all taxes, interest and penalties payable under the said Act and amendments shall remain a tax owing to His Majesty until fully paid and satisfied.

Hon. Sir JAMES LOUGHEED: Has this been the subject of litigation? Have the courts pronounced in any way upon it?

Hon. Mr. DANDURAND: I can not say that there has been anything before the court, but there has been considerable disputation about it with some people who were called upon to pay, and who resisted the claim.

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

CONSIDERED IN COMMITTEE AND REPORTED

The Senate went into Committee on the Bill.

Hon. Mr. Blain in the Chair.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

BUSINESS OF THE SENATE

Hon. Mr. DANDURAND: I move that when the Senate adjourns this afternoon it do stand adjourned until Tuesday next, at 3 o'clock in the afternoon.

Hon. Mr. McMEANS: Can the leader of the Government give us any information as to how long the Session is going to continue?

Hon. Mr. DANDURAND: During the past twenty-five years that I have been in Parliament I have been under the impression that His Majesty's loyal Opposition in the House of Commons pretty largely determined the length of the Session, and I would refer my honourable friend to the gods who sit in the other Chamber.

Before we adjourn, I draw the attention of the House to the fact that one of the important pieces of legislation, which will come before us at the beginning of next week, is the Superannuation Bill. Honourable gentlemen may take advantage of the short recess to examine that Bill. Of course, they will remember that we cannot increase the charge upon the Treasury; so they will examine the Bill with an eye to the reduction of the impost. I do not know whether many members are interested in this Bill; but if they are they can look into it over the week end.

Hon. Sir JAMES LOUGHEED: How does the scale proposed correspond with the present scale?

Hon. Mr. DANDURAND: I confess that I have not yet read the Bill.

There is also the Church Union Bill, which, although a private Bill, is quite an interesting piece of legislation. I hope we shall all be in a proper state of mind to dispose of it.

Hon. Sir JAMES LOUGHEED: When shall we have that?

Hon. Mr. DANDURAND: In my opinion, we should deal with it in Committee of the Whole. However, that is something honourable gentlemen may consider in the meanwhile.

The motion was agreed to.

The Senate adjourned until Tuesday next, at 3 p.m.

THE SENATE

Tuesday, July 8, 1924.

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

Prayers and routine proceedings.

INTERNATIONAL EXPOSITIONS

INQUIRY

Hon. Mr. BEAUBIEN inquired of the Government:

1. What was the total cost to the Canadian Government of its participation to the Panama Pacific International Exhibition held in San Francisco, Cal., in 1915.

2. What personnel was engaged in connection therewith, for what time was each member thereof employed, on what service and what was paid to each.

3. What was paid for other purposes, for what and to whom.

4. The same questions are put in reference to the participation of the Government to the Panama California International Exposition, held in San Diego (California) in 1916.

Hon. Mr. PARDEE:

1. $686,236.42.

2. Wm. Hutchison, Commissioner, December 1, 1913 to January 31, 1916, $23,428.26; S. Anderson, Cabinet Maker, January 1, 1914 to January 31, 1916, $6,607.15; L. R. Avery, Clerk, January 15, 1914 to October 31, 1915, $3,225.00; W. D. Dalglish, Mineral Division, January 1, 1914 to December 31, 1915, $6,644.24; A. W. Despard, Fruit Division, September 1, 1913 to January 31, 1916, $7,584.76; H. B. Fitz Simon, Exhibit Builder, January 1, 1914 to January 31, 1916, $5,882.62; E. Girardot, Assistant, January 1, 1914 to January 31, 1916, $7,282.80; H. Hains, Secretary, December 1, 1913 to December 31, 1915, $7,913.65; A. W. Tolmie, Accountant, January 1, 1914 to January 31, 1916, $7,523.94; J. O. Turcotte, Decorator, January 1, 1914 to December 31, 1915, $5,678.81; F. H. Mason, Assistant, September 1, 1914 to December 31, 1915, $3,409.00; Wm. Tomlinson, Assistant, May 1914 to December 20, 1915, $5,622.40. Payments include salary, living allowance and expenses.

3. See Auditor General's Report 1913-14, pages A 11-13; 1914-15, pages A 11-14; 1915-16, pages A 50-51.

4. Total cost, $127,693.20. Wm. Hutchison, Commissioner, February 1, 1916 to August 20, 1917, $14,755.95; S. Anderson, Cabinet Maker, February 1, 1916 to August 31, 1917, $4,814.35; W. D. Dalglish, Mineral Division, January 1, 1916 to August 31, 1917, $5,063.60; A. W. Despard, Fruit Division, February 1, 1916 to August 31, 1917, $4,817.50; H. B. Fitz Simon, Exhibit Builder, February 1, 1916 to August 31, 1917, $4,219.54; E. Girardot, Assistant,

February 1, 1916 to August 31, 1917, $5,565.00; H. Hains, Secretary, January 1, 1916 to October 31, 1917, $7,054.45; A. W. Tolmie, Accountant, February 1, 1916 to August 31, 1917, $5,636.52; J. O. Turcotte, Decorator, January 1, 1916 to July 31, 1917, $4,269.34; F. H. Mason, Assistant, January 1, 1916 to August 10, 1917, $5,341.25; Wm. Tomlinson, Assistant, April 10, 1916 to April 15, 1917, $3,460.80. For complete details of expenditures, see Auditor General's Report 1915-16, pages A 51-52; 1916-17, pages A 18-19; 1917-18, pages A 19-20.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill Q6, an Act for the relief of William Smith Scott.—Hon. W. B. Ross.

Bill R6, an Act for the relief of Rebecca Smolkin Koffler.—Hon. W. B. Ross.

Bill S6, an Act for the relief of Earl James Sharpe.—Hon. W. B. Ross.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from July 2 the adjourned debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year, 1924, inquire into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

Hon. Mr. PARDEE.

Hon. F. F. PARDEE: Honourable gentlemen, taking into consideration the original motion, and the amendment moved by the honourable gentleman from Simcoe, I shall not detain the House long with the remarks I have to make. It has appeared to me throughout the discussion that has taken place in this House that the matter is largely an attack on the Canadian National Railways. The honourable gentleman from New Westminster (Hon. Mr. Taylor), who first made the charges, has gone to considerable lengths in his statements, but, after having read his speech and the report of Mr. Temple, I am bound to say that the only thing that might possibly be urged against Mr. Temple's report is that the evidence was not taken under oath. Otherwise surely one cannot find very much fault with Mr. Temple's conclusions. He deals in detail with the charges of the honourable gentleman from New Westminister, and, so far as I can see, there is throughout the report a refutation of those charges in the plainest possible language, and there remains little ground for those charges to stand on.

The honourable gentleman charges that there has been bootlegging, that there has been in some way an improper application of funds received from insurance, if they were ever received; and that fraud, perjury, etc., have been committed.

I would like to refer to a paragraph of Mr. Temple's report, at page 32, with reference to Mr. Labrie. The honourable gentleman was particularly severe on Mr. Labrie. He charged, so far as I could follow him, that Mr. Labrie had committed almost every crime in the calendar. Mr. Labrie was denounced in every possible way. No one will deny that Mr. Temple is a reputable man—not that every man belonging to the legal profession is necessarily reputable, but Mr. Temple holds a very high position in the legal profession; he is a most trusted employee of the Canadian National Railway, a man in whom, apparently, his chief had the utmost confidence. Mr. Temple was sent out to make the necessary inquiries. Thus Mr. Labrie came under Mr. Temple's direct inspection, so to speak. Mr. Temple obtains the particulars, but he fortifies himself. On page 32 he makes these remarks:

After all the witnesses had been heard in this case I felt in my own mind that the charges of wrongdoing against Mr. Labrie were unfounded, but that it would be well to know not only the facts as to the conduct of this department but his general reputation amongst the business men he was dealing with daily. I accordingly called on some of the prominent business men in the City for the purpose of discussing with them, not only the Purchasing Department but in order to get a general idea of what the business

community thought of the Management of the National Railways and the C.G.M.M. generally:

I spoke to a great many of the leading merchants in this connection, for example:

Then he quotes the names of about fifteen of the leading merchants. I have not the pleasure of knowing them; I have not the faintest idea as to what their political leanings may be, or whether they themselves had dealings with the Canadian National Railways or not; but I do know this, that each and every one of these men gives to Mr. Labrie a certificate of character. I think that even my honourable friend from New Westminister will not dispute the fact that when a reputable member of the legal profession has interviewed such men and received from them such a favourable report on Mr. Labrie, it would hardly be possible for him to embody in the report which he submits anything but what these men had to say to him. And what do these men say:

I called at the offices of all these gentlemen and besides at the offices of many other large business concerns where I was not fortunate enough to find the heads of them in at the time of my call. I also spoke to several business men whom I met accidentally at different times. Without exception all those I met spoke in the highest terms not only of Mr. Labrie but also of the Management generally in Vancouver.

Now, there could be no "organized rascality" amongst these men, and I submit, honourable gentlemen, that they said nothing but what they knew. And what certificate do they give? That they have the highest opinion of Mr. Labrie; that the Managements of the C.N.R. and the Canadian Marine are all that they ought to be, and are carrying out the purposes for which they were created. Surely nothing could be much stronger than that. True, no oath was administered to any of the men, but if you go to an enlightened community, such as that in which my honourable friend lives, and meet the leading business men there, and they give you a certificate, not only of the character of the man, but also as to the way in which the business is being run, that ought to be sufficient to convince any honourable member of this House that the two branches of the Service are being conducted in the interest of the country.

The honourable gentleman has asked for a Committee. Every honourable member of this House knows that if a Committee were granted, whether at this late stage of the Session or earlier, it would mean the expenditure of an enormous amount of public money in order to bring here all those witnesses from that distant section of the country; and from my knowledge of Mr. Temple I say that, even if the proposed Committee were granted, it is my belief that the men appearing before the Committee and giving evidence under oath would not say anything one whit nearer the truth than what they have told Mr. Temple. Their story would be exactly the same. In other words, let me say quite frankly, I take absolutely no stock at all in the contention that the evidence was not taken under oath. I believe all that the witnesses have said.

So much, then, on the general question of the investigation made by Mr. Temple into the acts that were complained of. I understood my honourable friend from Simcoe to say that after the boat had gone on the reef, after she had been surveyed, and after the protests had been made, although the adjustors made an award of insurance, the insurance, amounting to about eight thousand and some odd hundreds of dollars, had never been paid.

Hon. Mr. BENNETT: I never said that. I asked across the floor, the question, had the insurance been paid?

Hon. Mr. PARDEE: I see. In order to satisfy my honourable friend, let me read this letter, dated June 28th, 1924:

Mr. W. E. Shepley,
c/o President's Office,
McGill St.,
Montreal.
Dear Sir,

SS. Canadian Farmer Disaster, June 18, 1922

Confirming 'phone conversation of even date, the total expenses in connection with the above accident amounted to $9,601.30, of which $8,393.30 was recoverable from underwriters under Particular Average.

The records in our Accounting Department show this latter amount as having been collected from the underwriters on the following dates:—

September 18, 1923.. .. ..$ 839.33
November 8, 1923.. .. .. 7,553.97

making a total of $8,393.30, the balance of $1,208.00 being on owner's account. This is made up as follows:

Then he gives the items. Therefore, as to the payment of the insurance, upon which some doubt has been cast, it has been adjusted; it has been paid. The insurance company have paid all that they were liable for, and the balance, as they say, was charged to the owner's account.

With regard to the Management of the Canadian National Railways, let me say this. The history is not a long one, We reached a situation in which we had an excess of railroads. We overbuilt in this country, not in proportion to its size, but certainly in proportion to its population. Eventually, as was the experience with most enterprises at that time, we came to the end of our tether. We found, after making the attempt, that it was absolutely impossible to continue the rail-

ways by the method then prevailing; in other words, private ownership. The Government was year by year paying huge deficits to make up the losses on these roads. Then it was very wisely decided that it would be far better for the taxpayers of the Dominion to own the roads outright. Accordingly steps were taken, under the Conservative and Union Governments, to bring the railways under Government ownership. Let me say this quite frankly, that personally I have never been an ardent advocate of public ownership; but the Government of that day could do absolutely nothing but take over these roads for the people of Canada. To have handed them over to some other railway corporation would have been to my mind the height of folly. Had that been done, there would have been an absolute oligarchy in the ownership of railways and it would be the railways and not the Government who would really control this country. Hence the Government, very wisely, in my opinion, decided to take over these roads.

No man ever undertook a greater or more complicated task, in my opinion, than Sir Henry Thornton assumed when he took over the management of these lines. They were at the time in a state of absolute chaos. They were daily running behind. From my observation of conditions in our part of the country, and from inquiries made in all parts of Canada, I believe it to be the consensus of opinion that, so far as the Canadian National Railways are concerned, there has never been as efficient a service as is being given to-day. My honourable friend the leader on the opposite side of the House says that in the Canadian National Railways extravagance is rampant. To be quite frank, I cannot see it. Undoubtedly they are spending money. They must spend money in order to make this System, which was run down, a first-class system, so that it may compete and hold its own with other lines. It is absolutely impossible to do otherwise. You cannot make a broken-down horse do a day's work. A railway without proper equipment cannot compete with railways provided with equipment up to the minute. Sir Henry Thornton has observed the state of affairs and has wisely seen to it that the Canadian National Railways are properly equipped. He is determined to put them into first-class condition in every department, so that they may compete successfully and may earn dividends if possible, for the people of Canada.

Hon. Mr. MURPHY: Will the honourable gentleman allow me a question? Will he please identify the men who are on the Board with Sir Henry Thornton, and state what are their qualifications?

Hon. Mr. PARDEE: Does the honourable gentleman say they are not fit for the position?

Hon. Mr. MURPHY: I did not say that; I asked the honourable gentleman to identify them.

Hon. Mr. PARDEE: I say that all the men whom Sir Henry Thornton has under him—Mr. Dalrymple and all the rest of them—are thoroughly competent men, fit for their jobs, and they have been working with Sir Henry Thornton to make the road what it is to-day.

Hon. Mr. MURPHY: Will the honourable gentleman excuse me? I did not accuse any of the officials. I asked the honourable gentleman to identify the members of the Board and state their qualifications.

Hon. Mr. PARDEE: I am not bothering about the members of the Board. The proof of the pudding is in the eating. At the head of this railway, which was in a broken-down condition, you now have a man who is one of the best railway men on this continent or any other; you have under him officers who are skilled and experienced in railroad matters.

Hon. Mr. MURPHY: Twaddle.

Hon. Mr. PARDEE: They are to-day making the road first-class and giving us a service such as we never had before. We have only to remember that last year, in operating expenses alone, there was a saving of $17,500,000.

Hon. Mr. MURPHY: Who trained those men?

Hon. Mr. PARDEE: I say that if that rate of progress continues, the result—though it may not be in our time—will be that the Canadian National will become an asset to the people of this country, and we shall not rue the fact that the System has been taken over as a Government ownership proposition. As I stated a moment ago, I have never been a rabid advocate of Government ownership, but, now that we have it, it is the bounden duty of every honourable member of this House to give it a fair trial. My honourable friend from Pictou (Hon. Mr. Tanner), I know, takes the opposite view. If this House or the other House brings the Canadian National Railways into the cockpit of politics, then, as my honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) has said, the Lord help the Canadian National. If you do not keep your hands off, if you continue to worry and

harass the men who are at the head of the System, not giving them a chance to make good, such as they ought to have, then I say the last state of Government ownership will be much worse than the first. I say again that it is the duty of every public man to give the Management of the Canadian National Railways a chance to make good, and I verily believe that they will.

Hon. Mr. MURPHY: The party hacks to the contrary.

Hon. Mr. PARDEE: The heads of the Railway, and the men themselves, apparently have entirely at heart the interest of the railroad, because I see in yesterday's papers that they have agreed to contribute one day's pay per month to the finances of the Government-owned railroads. That may not look very much, but I understand that it would add to the earnings of that road $5,500,000 per year. Can anybody say under these circumstances that the men are only endeavouring to please themselves? That is a concrete example of the simple fact that those men have one object and one only, which is that the roads should be made to pay.

Now, there seems to be a concerted attack on Sir Henry Thornton—why, I have not the least idea. The honourable gentleman from New Westminster referred to him as a god. He said he had betrayed the trust of the people, and sacrificed their interests. He mentioned the Scribe Hotel deal. Well, there have been many instances of deals in which people have bought far more wisely than they knew. I am aware that the Minister of Railways has said in the House of Commons that the Scribe Hotel deal was a mistake; yet I am sure that many honourable gentlemen in this House could cite instances of property bought at seemingly very large figures turning out to be paying propositions.

In this connection I desire to read the opinion of two gentlemen, one of whom I know, and one who is a stranger. I quote the following from a daily newspaper:

> Mr. Lewis Pratt, a Canadian residing in Paris, who advised Sir Henry Thornton on the purchase of the Hotel Scribe, appeared before the Commons Committee on Canadian National Railways and Shipping this morning. He informed the Committee that rentals and property values had gone up tremendously in the neighbourhood of the Hotel Scribe since 1919, when he located in Paris. He regarded the Hotel Scribe property as one of the finest in Paris, and he felt that it would increase steadily in value.
>
> "What is your opinion of the price of $2,700,000 for the hotel?" asked Mr. G. W. Kyte, Liberal member for South Cape Breton. "The general opinion among business men of the vicinity is that it was a good buy." Mr. Pratt replied. Business men in Paris had been under the impression that the price paid was $3,000,000, which they regarded as a reasonable price.
>
> Mr. Pratt informed Mr. Kyte that he had discussed the Hotel Scribe property with Sir Henry Thornton in Ottawa. His meeting with Sir Henry was a chance one, and occurred in April, 1923. He had told Sir Henry that if he wanted the Hotel Scribe property he should try and get hold of it quickly, as some other people were after it.

A member of this House, Senator Wilson, of Montreal, who looked over the property in Paris, is quoted in the same article:

> He described it as the best property in Central Europe from a business point of view. He thought it would be an excellent thing to concentrate all the Canadian activities in Paris in the Hotel Scribe building.

Here are the opinions of two gentlemen who have seen this property, who are familiar with its location, and who say that in their opinion the buy was a good buy. All that we in this House can do is to take the opinion of people who know. Sir Henry Thornton himself apparently thought it was an excellent buy. He planned to concentrate in this building, all the business of the Canadian National Railways on the continent, and thought it would from this point of view be an economy. Those other men, who are without any prejudice at all, so far as I know, say that the Hotel Scribe, bought at such a price, ought to be quite suitable, for the purposes for which it was acquired.

Then, my honourable friend from New Westminster says that Sir Henry Thornton sacrifised the interests of the people in connection with the Home Bank. As I recollect the evidence taken before the Bank Commission, which I read, Mr. R. P. Gough, a former director of the Canadian National Railways, was Vice-president of the Home Bank. There is no use going into the history of the Home Bank; it is too well known. Mr. Gough with all the other directors were looking for deposits. He approached Sir Henry for a deposit from the Canadian National Railways. Sir Henry referred him to Major Bell, one of the Vice-presidents of the Canadian National Railways, and, as I understand, a deposit was made then or very shortly thereafter. But what is the evidence? The evidence is that just so soon as Sir Henry Thornton found that R. P. Gough was Vice-president of the Home Bank, he said that the Board of Directors of the Canadian National Railways had no business to deposit that amount of money in an interested corporation, and it was withdrawn, and the country lost nothing.

Hon. Mr. McMEANS: Just before the end of the bank's career.

Hon. Mr. PARDEE: Can Sir Henry Thornton be blamed for that? He found out Mr. Gough's relation to the bank, and he went and got the money, and put it in another bank to

the credit of the Canadian National Railways. and neither the railway nor the people lost a single dollar. I cannot understand wherein the President was to blame in that transaction. Mr. Gough, then known as a reputable man, makes an application in the ordinary way; Sir Henry Thornton, being a man of many appointments and many details to consider, refers him to the Vice-president, and the thing is done; but the moment it is found out under what circumstances it was done, it is withdrawn.

Hon. Mr. ROBERTSON: May I interrupt my honourable friend to ask him a question? Does he think that the request of Mr. Gough to Sir Henry Thornton was a proper one for a member of the Board of Directors to make?

Hon. Mr. PARDEE: I do not; but, admitting that the request made by Gough to Thornton for that deposit was not a proper one to make, the more credit is due to Thornton when, on learning the circumstances under which it was done, he immediately withdrew the money.

I do not propose to go further into this matter. I simply wish to reiterate, with regard to the charges and the amendment, that we have all the particulars, and that nothing more would be gained by a long and expensive inquiry. As soon as the President found that certain charges were made he dispatched his trusty man, a reputable man, who found the particulars which are here before us; and I submit we could not learn more from any Commission that might be appointed.

In conclusion, I would again say that public ownership is a matter of the greatest moment to this country. Through it we are indebted in millions and millions of dollars, and it is to the interest of every man, woman and child in the Dominion of Canada that that asset should be made to pay. Public ownership is as yet a doubtful experiment; but unless public ownership is let alone, unless we allow liberty to the men who have shown themselves capable in every way of managing these lines, to follow out business precedents, so that they can put that road in a condition to compete with any other line, and unless we keep politics out of the entire system, then I must thoroughly agree with the ex-Minister of Labour and say, "The Lord help the C.N.R., and the Lord help the taxpayers of the Dominion of Canada."

Hon. W. H. BENNETT: I hope the honourable gentleman from Lambton (Hon. Mr. Pardee) will not think me discourteous if I do not reply specially to what he has said, because some of the matters do not require any discussion to-day, in view of the fact that by the adoption of the amendment the purchase of the Hotel Scribe is not at all in question. As the mover of the original resolution I am quite willing that that should be cut away. The other matter is the question of the Home Bank.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, is my honourable friend who is now on his feet proposing to end the debate and call for a vote at the present time?

Hon. Mr. BENNETT: In answer to that, I hope that this House will unanimously grant the investigation and inquiry, so that I will not be responsible for some other gentlemen not being allowed to speak.

As to the Scribe Hotel purchase, I am not going to argue it here to-day. The conflict of testimony on that purchase is before the people of Canada. In his evidence before the special Committee of the House of Commons, the President of the Railway has said there was no mystery about the acquisition of this Hotel; that he consulted the Prime Minister, who approved of it; that he also consulted the Minister of Railways, and he also approved of it. Furthermore, he says, in support of that statement, that he wrote a letter to the Minister of Railways, of which he holds a copy, as to the acquisition of the property. That question is now before the public, and the great point is how the Government are going to make the statement of the President tally with those made in the House of Commons month after month when the then Minister of Railways, Mr. Graham, stated that the whole purchase was a regrettable thing, and never would have happened had the Government known anything about it. The great question is: who is telling the truth—the President, or the Ministers of the Government?

As to the Home Bank, all I can say is that we do not agree on the evidence and the details, and if the honourable gentleman from Sarnia is proud of the part played by the President of the road in bolstering up the standing of the Home Bank immediately prior to its crash, when thousands of honest depositors were misled by his action, then he is welcome to any consolation he may get out of it.

I notice that my honourable friend never dealt with what has been one of the serious matters of this inquiry, namely, the deficit on the lake ships. I do not propose to go

into those on the ocean; but, were I to take from my desk the letters I have received all the way from Vancouver and Sydney to Montreal about the ocean-going ships—and I hope to have them up next year when there will be more time—it would rather startle the public. I will confine myself, therefore, to the Lake Marine, as it is called, which is a matter of very decided importance to the people of this country.

Let us take a retrospective view of this question of handling grain at the lake ports. A couple of years ago the people on the Northwest were enduring the worst season that they had ever had. The crops were not good; neither were the prices. The vessel-owners' action in 1922 was under review by a Commission appointed by this Government. So serious had been the performances of vessel-owners on the Great Lakes in this country that the Government appointed a Commission of the highest class, whose President was S. J. McLean, Vice-president of the Railway Board, a man of great probity and honesty; with Colonel Tremblay, a well-known man from the city of Quebec, having training on marine matters; and a gentleman who had a good reputation in politics Mr. Levi S. Thomson, ex-member of the House of Commons for Qu'Appelle. Those gentlemen were appointed in 1923 under a Commission issued by the Government to make full inquiry as to the proceedings on the Great Lakes in restraint of trade in rates the year before by vessel-owners, and I have their report, and shall have recourse to it from time to time.

Now, look at the position. It was expected that probably 200,000,000 or 300,000,000 bushels of grain would be exported. It would come down either by the Great Lakes or by rail. Between Fort William and other Canadian ports, trading could only be done in Canadian vessels. The Government of Canada was in this position: it had on the Georgian Bay a huge equipment of three lines of railway, with great grain elevators which had cost the country millions of dollars—I am speaking now of the combined systems of railways. The vessel-owners of Canada, to the number of 95 per cent of the Canadian-controlled merchant marine, according to this Commission, sat down in the city of Toronto and entered into a plot and a conspiracy so to raise the rates on the shippers that they would have to react by taxing the farmer right to the bone. Let there be no doubt about this. These are not statements of mine, so I will read from the report of these three Commissioners—first, as to this meeting in May, which will be found on page 32 of the report:

> It is admitted that a meeting was held in Toronto on May 4, 1922, at which four of the largest Canadian vessel companies operating on the Upper Lakes were represented. These companies were the Canada Steamship Lines, Limited, the Great Lakes Transportation Company, the Mathews Steamship Company and the Algoma Central. These companies appear to operate about 90 per cent to 95 per cent of the tonnage on the Upper Lakes and may reasonably be said to constitute a virtual monopoly.

What do we see next? I read now from a report published in the United States as to the rates that prevailed there on grain during the early season of 1922. That report shows that an early cargo from American ports in 1922 was at the rate of 3 cents a bushel, and that contracts were entered into on that basis. Every honourable gentleman knows that Duluth is across the bay from Fort William; and is it not astonishing to learn that at the time the rate from there was 3 cents, over at Fort William it reached about 7 cents a bushel, although the same distance had to be travelled? That was owing to the fact that American vessels were busy with ore and their own grain, and that they could not go into this trade on the Great Lakes between two Canadian points; and there seemed to be a tacit arrangement between all the parties that the American vessels should not interfere with the Canadian trade. They were fairly entrenched, as the report says; 95 per cent of the Canadian carriers were under an agreement that they were not to break, and that agreement was referred to in the evidence.

The Winnipeg Free Press, with very commendable energy, published a stenographic report of the evidence given before that Commission, and I clipped out the most of it, and have it here. That evidence goes to show who were present at the meeting and the questions that were discussed. There were the managers of the different lines in the combine, and in addition there were the representatives in the city of Winnipeg of the lines for the purpose of fixing rates.

Now, let it be understood that here was a combination, and here were men representing the respective companies, sitting down in solemn conclave, to fix rates that would militate against the Canadian railway, because the rates were very much higher to the Georgian Bay than they were to Buffalo. How was it to be done? In the city of Winnipeg, the Matthews Company, which is one of the large companies had a brokerage firm called the Western Company. That company was bound to agree with the other companies on the rates to be fixed. The Canada Steamship Company had another com-

pany called the Standard Shipping Company, acting for them; and the Great Lakes Company had another company called the Tomlinson Company—of which a man named Spendlove was the manager—working for them. Lee Wolvin was working for the Standard Company and a young man named Rule for the Western Company.

Hon. Mr. MURPHY: Is Lee Wolvin any relation of Roy?

Hon. Mr. BENNETT: He is a brother. The so-called Standard Company was mainly composed of Roy Wolvin and James Norcross, both of the Canada Steamship Company. It had a capital of $5,000, and had a contract with the Canada Steamship Company under which they were to have the handling of all of that company's freight rates for ten years. On the capital of $5,000, Norcross and Wolvin drew down about $275,000 in two seasons—all taken out of the farmers through the insurance.

Now let us go back to the space in the vessels. The evidence shows that when a shipper approached these vessel agents in the city of Winnipeg, he was at once confronted with the high rates. The rate was 7 cents a bushel from Fort William, as against a rate of 3 cents a bushel from Duluth, the distances being about equal. So the shipper was forced and driven to pay the price they were asking. But there was something more. The vessel and the cargo were to be insured at the expense of the shipper of the grain; and will the House believe that these chartering agents made it the first condition before any grain shipper got the opportunity of placing his grain in the vessel that he had to allow these buccaneers to insure his grain? Is there any question about that? Let me read the evidence of some reputable men who gave testimony. There was Mr. James Stewart, a gentleman who, I regret to say, I believe owing to the action of this railway company—has seen fit to withdraw from the Board of Directors. Everyone will regret that he, a substantial man in the business life of Canada, has, without giving the reason, withdrawn from the Board of Directors of the Canadian National railways. It is true that the press has stated that he is a busy man, and that for that reason he has had to retire. He was just as busy two years ago. He then had charge of the Maple Leaf Milling Company and other companies. Mr. Stewart saw I think what was coming on the Canadian National railways, under the present Management, and presumably that was the reason why he withdrew.

Right Hon. Sir GEORGE E. FOSTER: I would like to ask my honourable friend, if he will permit an interruption, whether or not he states authoritatively, as the reason for Mr. Stewart resigning from the Board, that he is dissatisfied with the methods pursued by the Management of the road? I understood from what I saw in the press, which is my only source of knowledge, that Mr. Stewart resigned because of the pressure of his own business. It would be quite another matter, and a very grave one, I think, if a gentleman of Mr. Stewart's standing and experience resigned from that Board and gave as a reason his dissatisfaction with the Management of the road.

Hon. Mr. BENNETT: If my right honourable friend will read the press despatch, he will see that Mr. Stewart did not assign the reasons at all—that they were assigned in the press reports. I did not say Mr. Stewart had resigned by reason of what he saw coming but that presumably he did; and I still hold to that conclusion, and am satisfied that time will prove that the inference is right. What did Mr. Stewart say? He said that the brokerage companies also stated and stipulated that they should get the insurance on grain cargoes, and charged a rate of 30 cents per hundred in the summer when the same insurance could be obtained from private corporations for 18 cents for $100. Where did the 12 cents go to? Why, it went into the pockets of the three brokerage firms, which ever firm did the business.

Let us take another case of that kind. Again I refer to the documents. These are not my statements, but those of well-known gentlemen. I now turn to page 21 of this book, and I read from the evidence of Mr. Lee Wolvin, who was a witness:

> Following this came a series of questions regarding insurance and the remuneration witness would receive, and Mr. Truman gave some figures showing that on shipments of 22,000,000 bushels the insurance premium would be $137,500, and that 35 per cent of this, the sum that Wolvin would receive, would be about $47,000. Had the shipper of that amount been able to insure himself and could have got it at the 15 cent rate, instead of the 30 cent rate paid through the broker, even after paying the broker a 35 per cent commission, he could have saved $10,000 to $15,000.

So no man had an opportunity of going to any of these vessel-owners and obtaining space until after he had paid this expensive commission insurance. A statement has been published from the summary of Mr. Symington, who was in charge of the matter for the Government, which is to the effect that, so far as they had gone into the insurance effected and approved that year, and taking the large amount that had been paid for insurance, over $448,239 as commissions on insurance was taken down by these men, who were dealing not only in space, but insurance as well.

And so I might go on; because I am sure honourable gentlemen are interested, particularly those from the West, who know the condition of the farmers, who were hard driven, and whose money was being dragged out of their sweat-stained pockets by this gang of buccaneers—and that is very mild language to apply to them—men who, being in charge of the Canada Steamship company, had in the first place rented the exclusive right of selling space in their vessels, and who then entered into a company composed of themselves mainly, with a capital of $5,000 on which they pulled down $275,000 profit in one year. If any honourable gentleman wants to read the evidence, he will see that they kept no books; they knew nothing about what was going on: they simply received cheques as the profits rolled in.

I am not here to say that the Canada Steamship Company were the only sinners—not by any means—because there was the Matthews Company, and the so called Great Lakes Company which had its headquarters at the town of Midland, and which is dealt with in this evidence sometimes as the Playfair Line. What kind of rates did they exact? Mark you, honourable gentlemen, I take the summary of Mr. McLean and his associates on the Board, who say that you could go up there from October the 1st to the 25th that year and find in the morning a 4-cent rate, and that the same day when they got a man who was hard pressed for space, he was charged 9 cents. You could go on November the 2nd and still find that there was a 9-cent rate; that on November the 4th there was an 11-cent rate; that on November 7th there was an 8-cent rate; and that on the same day it jumped to 11 cents. Think of it. When a man had a quantity of grain for which he had been able to secure space in a vessel at the rate of 4½ cents a bushel, there being still space in the vessel for which another man, sore pressed, had to pay 8 cents. Could a combination in restraint of trade go further?

Hon. Mr. McMEANS: What about the insurance?

Hon. Mr. BENNETT: I thought I dealt with the insurance. Perhaps my honourable friend has just come in. I showed that these men would not allow any space to be taken up in this 95 per cent of Canadian vessels, unless the insurance was effected through their companies, and that, as Mr. Symington's statement shows, in one year $448,239 was drawn down by these men in respect of insurance alone.

The combine was pretty firm, and the heads of it and the shipping agents thought so. Perhaps that can be better proved from some of the letters and telegrams put in in evidence than by any statements I can make. Mr. Lee Wolvin gets a telegram from Mr. Enderby of the Canada Steamship Company dated September 27th, 1922:

> Better get those instructions to Winnipeg in writing about booking no more cargoes until this coasting law question is settled. Our agreement was no new business. Make your instructions to them absolutely definite.

Here is a letter of the 15th of September, 1922, from Mr. Hall, who was a clerk in Wolvin's office, to Wolvin, which reads as follows:

> L. H. Wolvin, Esq.,
> Central Shipping Company,
> Postal Telegraph Building,
> Chicago, Ill.
>
> We are not chartering any more Canadian boats for September loading. Think it best to clean up what we have, and if we have open space we can get pretty nearly whatever we ask for it. We are doing some October but thought perhaps we had better hold off on this also except with Sid Smith. He is figuring half million lastaff abstract which we should supply him and then raise rate.

Why was Mr. Sid Smith to be treated so fairly? For, mark you, no person else was to have a bushel of space. There was only one objective in view with Wolvin, and that was to get whatever he asked for.

Hon. Mr. MURPHY: Who is Sid Smith?

Hon. Mr. BENNETT: Now we come to the story of Mr. Sid Smith. The condition of affairs had become so scandalous that grain which had been bought or contracted for by Mr. James Stewart and other gentlemen interested in shipping grain was lying in the elevators. It should have been pushed forward, because the farmers of the West had grain lying in their granaries, while these buccaneers said that not a bushel of grain should go forward until they had fixed the rate which should be asked. Mr. Stewart thought there was a ray of hope. He thought that the Government, being seized of the whole effect of the outrageous conduct of these vessel-men would have to answer to their complaints. So Mr. Stewart was wiring Ottawa asking to have something done. What he was asking was that the coasting laws should be abrogated, so that American vessels could come in to carry the grain. You can see what the situation was. If the American fleet came in and carried that grain, the whole house of cards would collapse. While Mr. Stewart was writing to Ottawa asking for the repeal of the coasting laws, Smith had got his space and was writing to Ottawa, asking them not to repeal the laws.

On October 3rd, 1922, the following telegram was sent by Hall:

L. H. Wolvin, Esq.,
Care of R. A. & W. M. Williams,
Kirby Building,
Cleveland, Ohio.

Hope you are able to advise us soon with regard to ore and want to point out to you that before taking care of O'Donahue we had better take care of Sid Smith who was first to wire Minister of Marine this morning at length explaining situation as it reallly is with regard to shipping, and he is as badly in need of tonnage to fill his sails as any other shipper in the building and will be in very bad hole if we cannot help him out on some grain on or before tenth. He just showed the difference between willingness to help us and careless attitude that most of others had.

What was the careless attitude of Mr. Stewart? It was that he was trying to get the repeal of the coasting laws.

Hon. Mr. MURPHY: Identify Sid Smith. Where did he get his pull?

Hon. Mr. BENNETT: If I were asked the reason, I would say he was grain dealer and broker in space. You didn't have to have the grain in order to deal: you were a gambler on the market for space, and Sid Smith, having space ahead, as is stated here, probably wanted to deliver that to Mr. Stewart or some other person at an enhanced price—and the chances are that he was giving Wolvin part of the profit. I do not suppose there was any question of very great nicety between Smith and Wolvin. Here is a telegram from Wolvin, at Cleveland, Ohio, to his clerk, Mr. Hall, at Winnipeg:

O.K. Smith's Bay Charter. Keep this strictly confidential. Do not want to offer Stewart anything just now account of Ottawa. Where can I telegraph Stewart?

Here was restraint of trade. It developed in the evidence and was commented on, that Mr. Stewart had wired Ottawa requesting suspension of the coasting laws, while Mr. Smith had wired Ottawa opposing the suspension. The poor devil of a farmer in the West had to have blood sweated out of him so that this gang could ply their vocation and extort money from his pocket.

Let us see a little more. I have said that they were charging higher rates to Georgian Bay and thus militating against the interest of the Railway System of Canada, the Canadian National, on three different lines. There are, the line from Parry Sound through to Montreal; the line from Midland through to Montreal; and the line from Collingwood, crossing over via Barrie, joining the Midland line and continuing through to Peterborough, thence to Montreal. Here were these three lines of railway with as I have said, great elevators belonging to the country, waiting for grain, and yet these men were putting the

rates higher. On page 21 of this report will be seen the finding that the rates to Bay Ports and Goderich from the head of the lakes for the whole season of 1922 were a discrimination against the Canadian bay ports.

Hon. Mr. MURPHY: I do not want to interrupt my honourable friend, but will he allow me a question? Does he mean to say that this rascality has been perpetrated for two years past and we have never heard a word of it from the wheat-farmers in another place? It is rather hard to believe.

Hon. Mr. BENNETT: As to the wheat-farmers in the other House, the question seems to be too big for them. I do not know what is the reason. I will not be responsible for them. It may be the consideration that is being given to them by Canadian National officials at the present time; for I am informed, they are the recipients of many attentions at their hands.

Hon. Mr. MURPHY: They were elected to look after those matters

Hon. Mr. BENNETT: While this was going on, what was happening among some of the vessel-owners? Let me give you one instance. I have before me the explanation that was given by the reputable firm of Richardson Brothers, of the city of Kingston. There is no doubt about the fact—it is referred to in the evidence in several places—that the Richardsons had a large interest in this so-called Great Lakes or Playfair fleet. I may explain as to the Great Lakes Company, or the Playfair interests, which are afterwards referred to, that there are three distinct concerns. There are what is known as the Glen Line, the Glen Transportation Line, and the Great Lakes Transportation Company; and in the Great Lakes Transportation Company the Richardsons have a very large interest. The amount of it I do not know. So scandalous had the matter become that when the inquiry was being made before the Commission the Richardson Company had a representative appear in court and make a statement. Mr. Symington said "He had been asked to state that the Richardson Company held no stock in the Playfair Lines as a Company, but that the Richardsons held about 20 per cent of stock in the undertaking." Respectable men like the Richardsons were ashamed of the whole gang of thieves, for that is what they were, in plain English, and although the Richardsons were profiting by the higher rates, they voluntarily sent counsel before the Commission to state that they had no part or parcel in those transactions.

The Commission then proceeded with its inquiry. I might occupy hours in reading from the report of this inquiry, to show how men were being treated in regard to rates and insurance; but I will refer only to something which comes to my mind at the moment, and which happened in respect to these companies. One would have thought that when such an inquiry as this was on foot the president and managers of the companies whose profits were attacked would have been there in person. Stockholders like the Richardsons saw it was their bounden duty, out of self-respect, to be represented by counsel before the Committee and state that they were entirely ignorant of the proceedings. Where were the owners or the Presidents of these companies? There was the President of the Mathews Company; I assume it was one of the Mathews Brothers. There was the President of the Great Lakes Company, Mr. Playfair. Be it said to the honour of the Canada Steamships Company, that while their President was not there, a gentleman named Mr. Enderby appeared and did the best he could to put a fair face on the situation. Mr. Lee Wolvin, with plenty of assurance, came down from Winnipeg and gave the best version he could of the transaction. One of the other companies in Winnipeg sent a young lady, who said that the head of the firm, Mr. Spendlow, was in California for the winter. Mr. Rulo, who was the manager of another company doing business in the chartering, was also in California. The absence of the leading men who had put up all these deals, who were at the meetings and were benefiting most out of the conditions, was so palpable that on page 37 of the report we find the following:

> Possibly further explanation might have been given by the Presidents of these Companies had they not been out of Canada on their winter vacations.

They were scattered to the four winds of heaven, some of them getting as far south as South America. They did not want to be called, because they did not want to be exposed; nor were they willing to come before the Committee voluntarily, as the Richardsons had done, and disavow any connection with the transaction. The Richardsons had not been connected with it, but the others had. What did they do, though? They tried to bolster up a case by saying: "It is quite true that we have been carrying on in this way, but we really have not been making any great amount of money out of it. The rates that we have earned in interest on the capital invested are not at all high."

I will now deal with page 36 of the report; but before doing so I wish to make an explanation. This Great Lakes Company had floated a bond issue, and in connection with it had circulated literature which is referred to at page 36, and reads as follows:

> The net earnings, after deducting depreciation for the year ending December 31, 1921, exceed five times the amount required for interest on this issue.

That was the statement made in a circular issued over the signature of Mr. Playfair. The commission then stated:

> Five times the amount required for interest on the issue would have been $350,000, but in Exhibit 329, which was put in as a part of the evidence of the Company, it is stated that the net earnings for the season were only $133,794.39. No satisfactory explanation of this astonishing difference is tendered.

Caught red-handed! The President being away in South America or some other place, they send a clerk with a written statement, and this statement, when contrasted with the bond issue circular, shows the above discrepancy.

Now let us deal with another company. In Exhibit 279, Mr. Mathews, President of the Mathews Steamship Company, says:

> The average annual net earnings derived from operation, after depreciation and taxes for the five years ending January 31st, 1922, amounted to almost five times the total interest charges on the bonds now outstanding including the present issue. Preliminary figures for the first half of the year 1922, indicate that the earnings for this year may be considerably in excess of the above proportion.

That is to be found on page 37 of the report. The bond issue was $700,000. The interest would be $49,000. Five times that would be $245,000; but in the Exhibit the Company claims that its operation for the year 1922 up to the 1st of September had resulted in a loss of $29,709. The Commission held that this statement was untrue, or else the statements that were issued to the public when they got the public's hard-earned money to invest in stock were untrue.

What was the result of all this inquiry? It resulted in a finding by the Commissioners in which they recommended a proper means of dealing with this class of people, and that was in the criminal courts of the country. The Commission was dealing with the question of restraint of trade; and, while it could not decide upon this matter, it certainly was part of the Commission's business to make a recommendation to the Government in the hope that something might be done to prevent this thing from going on. I will read the Commission's finding in this respect. It appears on page 37:

> In this connection, we may here refer to the fact that the provision of the Criminal laws of Canada and of the United States and the provisions of the English Common Law with reference to restraint of trade have been frequently referred to in the addresses

of the distinguished Counsel who have appeared before the Commission.

The Commission does not think it is called upon to decide whether or not there has been a violation of any of these provisions; but some knowledge of them and of the decisions of Courts based on those laws should be useful in giving the Commission an idea of the views of Legislators and Judges on the importance of open competition in trade, or the danger of allowing interference with that competition and the necessity of restraining the actions of any persons or corporations constituting monopolies or virtual monopolies. The Commission also gets from the decisions in question some idea of what, in the opinion of the Judges, constitutes a virtual monopoly.

It would seem that the primary thought in the minds of those framing the Canadian and American criminal laws was to ensure the safety of open competition, and to discourage anything that would unduly prevent or even lessen such competition.

Were the Commission dealing with criminal charges, the intentions of the persons or corporations involved might be of paramount importance. It seems to the Commission, however, that it is not so much interested in these intentions as in the effects, or probable effects, of permitting those constituting a virtual monopoly to prevent or lessen competition or in any other way to make the monopoly effective.

That report was before the Government. The evidence had been reported in the Winnipeg papers and it went forth every day to the papers in Montreal and Toronto and throughout the Dominion. What was the effect upon the Government? They did not move in the Criminal Courts at all. The Government took no further action to make the culprits refund. So they got away with their ill-gotten gains, and the farmer was so much the worse for the whole transaction.

Thus we enter upon the year 1923, with all this scandalous performance ringing in the ears of the people of Canada. The National Railways Management were apparently the only people who had never heard of all this, or, if they had heard of it, then they are to be blamed for their inaction immediately thereafter. I am now about to refer to questions asked and answers given in the House. The answers to my inquiry came from the Department of Railways and Canals, representing the Canadian National Railways. When 1923 was ushered in with all this scandalous conduct by those buccaneers, and when the farmer of the West was hoping and praying that something might be done to relieve him in the coming season of 1923, what was the position of the National Railways and the Marine Service that they had on the Great Lakes? How many vessels could they control there? They had on the Great Lakes a fleet of 12 vessels, and they could have moved in the spring of 1923 at least a million and a half bushels of grain every week. That was the capacity of the marine fleet owned by Canada, whether through the National Railways or the Department of Railways and Canals or otherwise. Now, mark you, I have proved that at the opening in 1923 the rate on the American side was 3 cents a bushels from Duluth to Buffalo, and on the Canadian side the rate from the head of the Lakes was 7 cents a bushel.

My honourable friend has been very laudatory of the staff of the Canadian National, and I assume he includes the Marine Service. Surely he does not suppose in his innocence that Mr. Teakle and his assistant, Captain Tedford, who are mentioned as controlling the Marine Service, were not aware of those goings on in the summer before. I do not know Mr. Teakle, but I know Captain Tedford personally, and I can say that a man of his shrewdness and cleverness would know everything about them, because he would have read the papers and would have discussed these affairs at every opportunity. I want to say here that I believe Captain Tedford is an honest man. I believe that if Captain Tedford is a victim in these deals, he has been the victim of the higher-ups. Captain Tedford knew of the operations on the Lakes. I had the pleasure of meeting him personally in the town of Midland four or five years previously. He was a captain from Nova Scotia and was appointed as an inspector of Government vessels that were being built in the town of Midland. I have never heard anything of Captain Tedford except the highest praise, and I think he had capacity for the office he filled as Inspector of Ships. I had the pleasure of meeting him there. Now, can any man imagine Captain Tedford, who was in the town of Midland a few years before, never having heard about the operations of the Great Lakes Companies—that it was a large company and a profitable one? Why, the very men who had local control of the Company, the Manager and the President, were associated in the contracts of the very ships that Captain Tedford inspected, and the Captain saw them in and out when he came there, and knew very well, as every man in the town knew, that they were largely interested in that company. Would not an intelligent man like Captain Tedford, knowing about this, be interested in the question of the Marine fleet being up and doing on the Great Lakes in the spring of 1923 to prevent this combination of prices to go on?

Now let us come down to these vessels. There was the Arthur Orr carrying 145,000 bushels—that is given in the return; there was the Kearsarge, carrying 160,000 bushels; there were eight Canadian vessels of what we call the war type, that could carry about 110,000 bushels each; then there was the vessel called the McKee, of the lake-freighter type, cap-

able of carrying about 115,000 bushels; and another one, the Drumond, capable of carrying a similar quantity, about 110,000 bushels. If those vessels had all been thrown into the work, they could have carried about 1,500,000 bushels of grain in their fleet. One would have expected that the first thing that the Department would have said would have been, "Let the fleet go up to the head of the Lakes."

Look at the position the Canadian National Railways occupied. They had the most commanding position of any company in Canada on the Great Lakes for handling grain cargoes. They had an advantage over the C.P.R., because, for instance, they could contract for 20,000,000 bushels of grain or more on the Winnipeg market, and they could have had their vessels at the head of the Lakes to carry that grain down, they also had their railway there; they had their elevators at Midland, Collingwood, and Depot Harbour to handle the grain; and they had their three lines of railway to Montreal. Better than that, they had their ships on the ocean to carry this grain to Europe. Grain-shippers could have made a contract on one bill of lading from the prairie clean through to Liverpool. The C.P.R. could not do that because they had not a grain-carrying fleet on the Great Lakes, and would have had to hire vessels for the purpose.

But, notwithstanding the splendid position the Canadian National Railways held, what did they do? How did they open the season? Does any man think that these two vessels, the Drumond and the McKee, were sent out to Port Arthur to bring down grain in the spring of the year? Not at all. They were handed over to one of those companies who had formed the combine the year before, the Great Lakes Company. They were loaned or rented to them, as the returns show, at a profit to Canada of about $7,000 each for the season; yet the people who got those vessels could have made that amount out of each of them on the first trip.

I made an arrangement with the leader of the House that some gentlemen were to be here to-day to make answer to any statements I might make, in order to close this matter up and have a vote. I understand that those gentlemen are in this building, and I would ask my honourable friend to ask those gentlemen to say whether my statements are true or not, as to the renting of those lake freighters to the Great Lakes Company. The statement cannot be denied, because it is in the return.

Can any man in his senses understand a Government taking two good vessels out and renting them to parties who had been in this conspiracy the year before? What explanation can be given of such conduct, unless it was intended by the Government that they should not give any opposition to the 7-cent rate that was being carried on? Later in the season we find that those vessels were sold at a fair price, something like $110,000 each.

Hon. Mr. GILLIS: Did the Government or the Minister ever give a reason why they did not bring those vessels into general use for the carrying of grain?

Hon. Mr. BENNETT: No, I have never heard any explanation why they did that. That is why I made the inquiry, in order to show the House and the country why they took those two lake freighters and handed them over to those conspirators of the previous season at such a price that in carrying a cargo at 7 cents a bushel they would make on the first trip as much as the Government received for them while they had them. A cargo of 110,000 bushels at 7 cents would mean $7,700, and the return shows that the profits made by those two vessels amounted to about that. Let there be no mistake about that, because I hold the return in my hand. The net earnings of the T. J. Drummond in the season were $7,200.64, and of the McKee $7,087.

Now, I ask my honourable friend to send to the gallery for those gentlemen, and get from them some explanation before this debate closes as to why that was done, because I do not want to have it said a few days later that the statements I made were not correct, as was done when I spoke before. Let us now come to two other vessels that the country owns—the Arthur Orr and the Kearsarge. Their carrying capacities were respectively 145,000 and 160,000 bushels of wheat; so that on the first trip the Kearsarge could have earned nearly $11,400, at 7 cents a bushel.

Let me take up another phase of the answers to my questions that were brought down to the House. The National Railways had a large quantity of coal to carry to the head of the Lakes and to the Georgian Bay ports. Do not let honourable gentlemen think the season of 1923 opened up with the railway company offering to carry their coal in their own vessels, for the return will show that this contract was handed over to the Canada Steamship Company and the Great Lakes Company of Midland. Can any man believe it? Here was the Canadian National Railway having to transport 1,594,000 tons of coal for their own purposes, and they had a

fleet of 12 vessels—8 so-called war ships with the Arthur Orr, the Kearsarge, the Drummond and the McKee. One would naturally have expected that they would have gone at once into the work of carrying their own coal. See how it would have worked out. The vessels carrying to the head of the Lakes would have gone up to Port Arthur and carried the 1,594,000 tons which they had, and when they had discharged the coal they could turn around and have brought cargoes of grain down to the lake ports, and thus made a lot of money out of them at the rates then prevailing. But they never did that at all. They took up this vast quantity of coal which at 50 cents a ton would have amounted to nearly $800,000. I have begged and asked the Government to say what rate of freight they paid, but they will not give it. And this contract was given to the Great Lakes Co. and Canada Steamship Company. If this House will give me a Commission I will find the contract that was made with those vessels for carrying that freight. This Government is afraid to let the country know what they have been doing with those boats. Of the total amount of coal carried, there went to Port Arthur 372,985, to Fort William 735,564, and to Lake Superior 74,436 tons. Why were not the Arthur Orr and the Kearsarge, with their unusually fine capacity, employed to carry coal up and bring wheat back? I wish the officials would come down and give the pro tem leader of the House an explanation as to why they did not do that.

Hon. Mr. PARDEE: You can do it.

Hon. Mr. BENNETT: Well, I have looked up the vessel reports for the year 1923, and I find that coal that went forward on the National Railways was contracted for with those two companies; that is what the return shows. Yet I read in 1923 the following:

> Among the steamers which cleared to-day light for Duluth after discharging coal are the Arthur Orr, the Kenny, the Grand Elan and the G. J. Crammond.

Can you believe it, honourable gentlemen. The National Railways let the contract for this huge quantity of coal, having this magnificent vessel, the Arthur Orr, up there, and according to this newspaper report of May 11, 1923, she is up there with a cargo of coal. I will tell you what I think really happened. Remember, we have disposed of the McKee and the Drummond; this loyal band under the National Railways had handed over those two vessels for the season at $7,000 odd apiece. I think if the truth were known not only had they given a contract for the coal without tender but they probably hired out the Arthur Orr to the conspirators to carry coal up instead of carrying it themselves. Would it not be interesting to know what they paid the Arthur Orr for freighting the cargo.

And where was the Kearsarge, the big vessel of 160,000 tons? At the head of the Lakes. Among the departures on May 12, I find the Kearsage left for Duluth with 60,000 bushels of flax. What was she doing up there? I presume she took up a cargo of coal, too. Those vessels owned by Canada could not carry coal for the National Railways, but the contract was given to those contractors at a price that the Government will not state, and here are those vessels found at Port Arthur. What were they doing there, and who had them hired? It could not have been the Government, with coal of their own, because they had given out the contract for carrying their coal. There is only one inference to be drawn.

Now, let us look at this statement. The Government say that in 1923 the deficit on the Arthur Orr was $21,281, and on the Kearsarge $15,346.66. It seems impossible to believe it. Sailors have a phrase that they "keep a boat behind the lighthouse," which means that they do not let her engage in competition. I wonder if those vessels were kept from engaging in competition? I ask the officials to come down and say how it happened that those two vessels were up at the head of the Lake, one with coal, as stated by the newspaper, and the other presumably so, because they would not go up light. What was the answer to all this, as vouchsafed by the Department? My honourable friend the leader of the House answered:

> The Kearsage and the Arthur Orr belong to the Canadian Atlantic Transit Company of the United States, a subsidiary of the Canadian National Railway Company, and are operated in connection with the so-called rail and lake differential route of the Canadian National Railways in regular assigned service. The nature of the traffic handled by these boats is largely package freight from New York and the New England States over the Central Vermont Railway and the Canadian National Railways to Depot Harbour, and by the boats referred to, to Chicago, and the ships are an integral link in this through rail and water route, and must necessarily be operated in conjunction with that through service and on a regular schedule sailing date basis. The rates applicable to traffic moved are based on a percentage of the through published tariff rate, and, whilst the boats in themselves may not necessarily show an operating profit, they bring to and hold for the rail line a tremendous volume of business which would not otherwise seek that route. The return cargoes consist largely of American corn and other grains from Chicago or Milwaukee to Georgian Bay ports, principally Depot Harbour, and it would be impossible to divert these boats to regular tramp service without interrupting or completely demobilizing the through differential line above referred to.

That is as plain as can be. These boats are on the line between Depot Harbour and Chicago, and cannot be taken off. What do the gentlemen in the gallery say about the two of them being up at Duluth? Or over at Port Arthur? They were carrying coal for whom? And what do they say about the fact that, if the Government statement furnished to the House by the Department is true, the Arthur Orr lost $21,281 and the Kearsarge $15,346 in 1923?

Let me tell the House something about those two boats, because those officials down there do not play fair with the leader of the House here; they do not tell him the whole truth. They could have told him something that would have been very bad for the Management of the boats, namely, that those two vessels are of American register, or, if not, they have been changed very lately. What does that mean? That means all kinds of advantages to them. When the grain trade was idle in the summer they could have gone over to Duluth and carried ore to Cleveland or other Lake Erie points, and brought back coal. The people at the head of the Department, when they rented those two boats for the beggarly pittance, did not want to make anything for the railway company. If they wanted them to make money for the people, they would not have rented them.

I do not know anything about Mr. Teakle, and would not know him if I saw him, but I do not believe that Mr. Teakle had the directing of that action. I will take the statement that was made to the House. I asked this question:

> Upon whose suggestion, counsel or advice were the said vessels sold, and was such advice to sell placed before the President of the Canadian National Railways or the Board of Directors, before the same was assented to? Or upon whose final advice was the sale made?

The answer was:

> Recommendation to dispose of said steamers (McKee and Drummond) was made by the Management of the Canadian Government Merchant Marine, (Ltd.), which recommendation is submitted to and approved by the President and Board of Directors.

That is what I want a Committee for—to find out who gave that advice to sell the Drummond and the McKee, and who rented them for $7,000 each for the season. I think it is the men higher up. I would like to ask this question: when did the higher-up officials of the Canadian National cease to be partners in and connected and mixed up with the Canada Steamship Company or the Great Lakes Company or those connected with them? When did the railway officials cease to hold stock in dredging concerns in the name of clerks of the company? That is what the country would like to know, and that is what I would like to know. It may be a morbid desire on my part to find out who were the men, apparently towards the top, who were advising these things? I acquit Captain Tedford of such conduct, and, as for Mr. Teakle, I do not know him at all. The Government has said that he is a man of great business acumen, so surely he would not rent vessels for $7,000 apiece, when they could earn that much on one cargo. Through the vessels being rented the company and the country lost at every turn.

Let me say a word about these two vessels and the report to the Minister that they could not go over the route because the connection would be broken up in that way. My statement is that that is not true. I have seen these vessels in Midland time and again. Captain Baxter was the captain of one of the vessels—I have forgotten which—and the captain of the other is a Swede, and a very fine man. Take the statement of the Management, and dismiss mine, and even then you cannot get away from the returns published in the newspapers showing that these vessels were to be found at Duluth and Port Arthur.

Then we come to the eight so-called "war" vessels. What are the answers given by the Management in respect to them? We are told that those vessels are so constructed that they cannot be used to advantage on the lakes. Is it not a strange thing that those vessels, which were described by the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) as being built much stronger than the ordinary lake vessel—because they were to ply on the ocean—cannot carry coal. And yet the following statement is made:

> The reasons for not using them to carry coal to Fort William and Superior are set out in memoranda from Messrs. R. B. Teakel and R. C. Vaughan, a copy of which is attached hereto, and these reasons are briefly:
>
> First, the ships are not constructed for the coal-carrying business. Their engines are in the middle of the ships and they are equipped with ballast tanks and other auxiliaries not commonly found in lake-freighters. This type of construction makes it very awkward to load and unload them with coal. In addition to this coal being a heavy commodity, it is very likely to seriously damage the ship when it is unloaded into the hold, and when being unloaded large buckets are used which are dropped into the hold from a considerable height, with the likelihood of considerable damage to both the hull and the equipment of the boat because of its construction.

Just think of it. Here are vessels built for Atlantic service, and said by the honourable gentleman from De Lanaudiere (Hon. Mr. Casgrain) to be built much heavier than ordinary lake-going vessels which they are. Everybody knows that you can pour coal into the lake vessels; yet it is said that you

cannot put it into these so-called war vessels.

I would like to know how much these vessels sold for. One of them went to Toronto the other day, and was to go on to Vancouver. Three or four of them have been sold. Should there not be some inquiry of these gentlemen—

Hon. Mr. PARDEE: You might get a return or put a question on the Order Paper.

Hon. Mr. BENNETT: I know what the answer would be—that it is not in the interest of the country to say how much they were sold for. The answer I would get under oath would be a surprise. When I asked what the Company was paying for carrying coal, I was told there and then that the information could not be given to me, because it might interfere with the Company's business.

Now I come to page 340 of Hansard of this year. The leader of the Government is accounting for the deficits, and he reads from a letter from Mr. D. E. Galloway to Mr. Teakle:

> In the deficits shown is included expenses during the lay-up period, which are as follows:
>
> SS. Canadian Signaller, January 1 to September 13, $4,662.15; ss. Canadian Warrior, January 1 to September 15, $5,132.59; ss. Canadian Signaller, repairs, $5,784.27; ss. Canadian Warrior, repairs, $8,084.40.

Every honourable gentleman knows what the laying-up of vessels means. They are tied to the dock, and they are left there for the time they are out of commission, but the men are paid off. Take these figures of what it cost to lay up these vessels. The first one cost, for being tied up at the dock at Collingwood, $4,662; the other one cost $5,132.

Hon. Mr. PARDEE: What time of year was that?

Hon. Mr. BENNETT: From January 1 to September 13 in one case, and in the other from January 1 to September 15.

Hon. Mr. PARDEE: She may have been partly fitted out during part of the season.

Hon. Mr. BENNETT: The fitting out of the vessels comes after that, and the wages are payable to the men who come on to fit them out. In other words, these two vessels lying alongside of each other, or one ahead of the other, with a man coming down daily to see that they are all right—and one man could have done the work—cost $38.50 a day. I know that that is a small item, but it goes to show how everything in this Department and under the authority of the Canadian National railways is run.

In reply to a question in the House of Commons the other day as to what it cost the country for a full-page advertisement of the Canadian National railways in the Toronto Globe, it was answered that it cost in round figures $500. On another page was an advertisement of the C.P.R., a concern which is conducted on business principles, and it was just exactly half that size. It is idle for the Government to tell the people who live where these vessels are that they are not capable of carrying coal, because they know they are.

Hon. Mr. MURPHY: Does the honourable gentleman mean to say that they cost $9,000 while they were tied up to the wharf?

Hon. Mr. BENNETT: $9,200 for the two.

Hon. Mr. MURPHY: And nothing for repairs?

Hon. Mr. BENNETT: The repairs afterwards cost $14,000. If you look the whole record through, you will see other instances of the same kind.

Why do people buy these vessels at a price which the Government will not tell us? They cannot be purchasing them for fun, because they put them right into commission as soon as they get them. One that was bought by the Kirkwood line went off to Vancouver the other day. There is only one object that I can see in what is going on. The Canadian National railways, or someone who has the control of these vessels, wants to depreciate their value in the public eye, so that they will be placed on the bargain counter and sold to some party friends for a trifle. There are good grounds for that suspicion, because the same management took two of those vessels and rented them for a sum that would be earned from the first freight they carried.

I am going to ask this House, is it not about time that it made an inquiry into this matter? We do not need to be appalled by the story of the tremendous cost which my honourable friend says such an inquiry will entail. The officials have their headquarters in the city of Montreal, and from the plentiful way in which Canadian railway officials infest committee rooms in every part of this building, day in and night out, surely it would not make much difference if a couple more of them came up. All I ask is to bring them here so that we may have an explanation of some of these matters. If the House refuses to grant that, all very well; it is competent to do so; but, after reading the report made last year by Mr. McLean and the other Commissioners, it requires a long stretch of the imagination to think that this Marine Service

is being carried on properly. Why, honourable gentlemen, if I were to take upon myself the responsibility of repeating statements communicated to me in regard to the stores of these vessels and the way in which they have been handled, and other matters—all of which I think could be proven before a Committee—the public would stand aghast. There are people in this country who are terrified about saying anything in regard to the Management of this railway; but I want to place myself on record as not being in that frame of mind at all. I am not going to be bullied, cajoled or coaxed. The President of the National Railways, speaking in Toronto said:

> The open season for mud-slinging at the railways was at hand. He suggested that a considerable number of adherents of mud-slinging tactics were not entirely disinterested.

When I come before this House and place these facts before them and ask for an explanation—that is what the President was referring to—I do not know that it is to be called mud-slinging. If it is, all I can say is that if mud-slinging proceeds it is because there is mud, and a lot of mud, about the management of this railroad, and this exhibition of anger or rage, or whatever you may term it, on the part of the President might as well be dropped, as far as I am concerned, for it will have no effect on me. I will discuss the President and the officials of this road as thoroughly and freely as I discussed the conduct of those vessel pirates and buccaneers of 1922. The public is about sick and tired of the idol worship of the President and higher officials of the Canadian National Railway.

I sat in a House of Commons Committee room the other day, and what did I hear? I heard evidence there that, in addition to the President, there is an official whose salary is over $20,000—the assistant to the President, and that it is common talk that the salary is $30,000 a year. In addition, this official is provided with a palatial car to ride around the country. I have been told that there is another man—an importation from the Long Island road in the United States—brought here by the President. There is evidence of this from the President himself, when he said, in referring to the class of $20,000 men: "The reference I made then must have been to the man I brought over here." From where? Talk about the complacency of the officials and the men.

My honourable friend (Hon. Mr. Pardee) goes into ecstasies over the change brought about by the new Management. Does he not know, and has he not heard, that the best things connected with the road which exists to-day existed before the present Management came into office? One of the best lines the Canadian National railway has to-day is the roadbed between Toronto and Ottawa. That condition was not created by the present Management, but came into being when Mr. Hanna was in charge. All the kudos and all the praise that is given to the new Management is wonderful. As a result, what was the President doing the other day? It was said in press reports that he would like to have a conference with Mr. Beatty of the C.P.R. to see whether certain trains could not be taken off in order to cut down expenses. Peterborough and Toronto are linked up both by the Grand Trunk and by the C.P.R. Under good, wise management for years there have been two trains each way a day on each line. Geographically speaking, the C.P.R. have the strategic position in point of distance. And what do you think the Canadian National railways did recently? They actually put on a third train, from Toronto to Peterborough and on to Port Hope, and I can prove, by a gentleman from Peterborough whom I met the other day, that he was the sole occupant of the train, and that when he got off at Peterborough and the train proceeded to Port Hope there was not a single passenger on board.

Oh, wonderful management! No wonder the President is wailing, and is asking Mr. Beatty to sit down and talk these things over, to see if they cannot take off some trains. Well, if I were President of the Railroad, I would have asked privately for a conference with Mr. Beatty, instead of parading that sort of thing before the public. The country is sick and tired of Scribe deals. The country is sick and tired of men like that interloper Aronovici being paid $30,000 on a trumped-up claim. The country is sick and tired of the spending of $2,640,000 on printing, stationery and advertising, for this Canadian National Railway. Compare the newspaper advertising of the Canadian National with that of the Canadian Pacific Railway. You will find, for instance, that in the first number a special one, the Globe for the current year the C.P.R. advertising covers only half the space of the Canadian National. Furthermore, according to the explanation of that $2,640,000 given by the President the other day, no less a sum than $275,000 was paid for the travelling expenses of persons concerned in the advertising. You may cut five millions off by making this recent appeal to the pity of the employees to sacrifice part of their wages, as stated in the papers. The conditions would have been a great deal more satisfac-

tory if there had not been these reckless expenditures on the Scribe Hotel and on printing and advertising. If the strength and vigour of the marine system had not been wasted last year, the Arthur Orr would not have had a deficit to the extent of $20,000 or $17,000. I say it is a scandal, a crime, that big vessels like that lost so much money. What will happen in Canada, if this game is not stopped, will be similar to what has happened in the United States. I had here but cannot find at the moment, a clipping about the scandal across the border in connection with the sale of Government vessels over there. It was proven before a special committee in the United States that vessels costing the country a million or a million and a half of dollars had been given away to party friends for a couple of hundred thousand. I believe that if a committee is appointed by this House it will prove that the Management have sold these vessels—for which they will not tell us how much they received—at such a beggarly figure that you will kick the whole Management out as they will deserve to be kicked out. The time has come for a showdown on the question of this marine service. In view of these facts I say that no honourable gentleman in this House who is true to his conscience and to his duty towards the people of Canada, can vote against an investigation into the whole matter from A to Z; and I ask the House to have this investigation made at the earliest possible date, so that, after the Committee has heard the evidence of the two or three witnesses who will be necessary, the inquiry may be completed before Parliament prorogues, even if it should prorogue at the end of this week or next week.

Hon. Mr. TAYLOR: Honourable gentlemen, before the debate closes I would like to say a word with reference to the amendment; but I did hope that some member of the Government would be heard from in this connection. If no person is authorized to speak now on behalf of the Government, I would move the adjournment of the debate, with a view to getting an expression from the Government before it closes.

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

Hon. G. D. ROBERTSON: Honourable gentlemen, though I may be out of order, I would like to make an observation with reference to a remark that has been made by a couple of speakers this afternoon, concerning a prospective donation by the Canadian National employees of a day's pay per month to help towards reducing the deficit on the National Railways. I think that is the effect of the statement that was made. Please be assured that the employees on the Canadian National Railways are not voluntarily making any such offer. The Canadian National employees in 1921 suffered a general reduction in wages amounting to about $1,250,000 per month, and in 1922 a still further reduction; therefore they are not at the present time making any such proposal as has been referred to.

I see by the public press that the officials of the Canadian National Railways, whose salaries are still at the peak of 1920 and have never been reduced, are proposing to contribute one day's pay towards a fund, the aggregate of which is expected to help to reduce the deficits. From the press statement it appears that this a voluntary act on the part of the Canadian National official family. I cannot state positively whether that is true or not; but I have information on the subject which indicates to me that the officials of the Canadian National Railway are receiving notice that, effective July 1st, their salaries are being reduced by 4 per cent, which is about equivalent to one day's pay on the basis of a 25-day month. Therefore, even the statement with reference to the voluntary act on the part of the officials I take with reservation. However, I desire to assure the House that it does not include the railway employees, who have already suffered reduction, many of them at the rate of $40 a month, as much as two years ago.

MULLINS DIVORCE PETITION

COMMITTEE'S REPORT REFERRED BACK

On the Order:

Consideration of the One hundred and thirty-ninth Report of the Standing Committee on Divorce, to whom was referred the Petition of Alma Ducharme Mullins, together with the evidence taken before the said Committee.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, there is this peculiarity about the report, that there was an equal division of the members of the Committee. This, according to our rules, should have negatived it. Instead of asking the House to take action upon it, now, I would suggest that it be recommitted to the Committee. I understand that my honourable friend from Kent intends moving to that effect. If so, it seems to me that such a motion would be the regular way to deal with the matter.

Hon. Mc McCOIG: Honourable gentlemen, I move that the report on the Mullins petition be referred back to the Committee for further consideration.

The motion of Hon. Mr. McCoig was agreed to.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

UNITED CHURCH OF CANADA BILL

FIRST READING

Bill 47, an Act to incorporate The United Church of Canada.—Hon. Mr. Robertson.

CIVIL SERVICE SUPERANNUATION BILL

FIRST READING

Bill 122, an Act to provide for the Superannuation of Civil Servants.—Hon. Mr. Dandurand.

CANADIAN EXHIBITION TRAIN

DISCUSSION

Hon. C. P. BEAUBIEN rose in accordance with the following notice:

That he will call the attention of the Senate to the progress of the Canadian Exhibition Train through France and Belgium in 1923, and the results thereby accomplished, and will inquire whether the Canadian Government intend using the same method of propaganda in other countries?

He said: Honourable gentlemen, may I crave the attention of the House for a brief exposé of what has been accomplished by the Canadian Exhibition Train which toured France and Belgium last year?

In an article published on the 18th of January, 1924, the Financial Post of Montreal says:

It is pitiful that Canadians heard so little of their train and the wonderful success it met with. The lines of communication back to Canada were very inadequate. Nevertheless, the big object of the train was to sell Canada's goods to France, and it accomplished that; the less important work of keeping Canadians informed on the doings of the train does not matter.

My purpose in addressing this honourable House aims not only at satisfying very legitimate retrospective interest, but at bringing forth valuable evidence of what can be accomplished in the future by the new process of exhibition trains. That some form of display to the world of a country's assets, to stimulate its progress in trade or otherwise, was found useful in the past, is proven by the amount spent by all great nations in their international exhibitions. This propaganda was carried out by the creation of colossal displays, the object being to forge a huge magnet which, through the shaping of metal, and its animation by electrical current, would create a far reaching and powerful drawing energy. So the nations set to turn fabulous sums of gold in all sorts of attractive forms which they animated by a spark of their particular genius. The method called for an enormous expenditure of effort and money. It did not always draw the huge attendance required to cover the cost, and this attendance was always made up of the same minority of the leisure class.

A new formula has now been brought to the fore. The exhibition has been compressed as well in size as in costs. It has been set on wheels, and sent speeding along the highways to every city and almost to every village of two large European nations. May I ask you for a few moments to follow the progress of the first itinerant Canadian display, as it noiselessly rolls its supple line of motors on the sunny highways of France and Belgium, winds its way to the hearts of cities, runs along the outer edge of large public squares, encircles them and with the lifting of side shutters, instantly turns into an imposing succession of show-windows, well set up and brilliantly illuminated. May I request you also to take a bird's-eye view of the French and Belgian press in its references to the Canadian Exhibition Train and a rapid close-up inspection of condensed statistics as to the results thereby accomplished. You may then pretty accurately draw your conclusions as to the value of this new formula to sell Canada's goods and products abroad, and to import bone and sinew to build up this country.

It must be remembered that the Canadian Exhibition Train constituted the second part of an agreement entered into between France and Canada in 1916, looking towards an increase of trade between the two countries. Mr. Clementel, then Minister of Commerce, now Minister of Finance, was generously offering Canada in the name of France a full reciprocal exchange of facilities, as the basis of this amicable agreement. In the tender days of its youth this understanding was confided to the right honourable junior member for Ottawa (Right Hon. Sir George E. Foster), the Minister of Trade and Commerce. I might almost say that in its swaddling clothes it was laid in the tender lap of a Foster mother. The right honourable gentleman received the newcomer with a sympathy not altogether free from anxiety. Promising as it was, how would it turn out when fully developed? Time would tell,—and the Minister gave time full leisure to speak knowingly. Indeed, the first part of this bilateral agreement was only carried out in 1921, by the journey through Canada of the French Exhibition Train.

If the honourable the junior member for Ottawa entertained at first some doubts—if not as to the merits of the project, at least as to the most propitious time to carry it out—it must be said that these doubts had altogether vanished from his mind in September, 1921, when he addressed to the Canadian boards of

trade, chambers of commerce, etc. a most convincing circular, from which I desire to read a brief extract. This official letter from the Minister of Trade and Commerce first announces and strongly commends the French train—then in the initial stages of its progress through the Dominion—but it also deals with the reciprocal advantages offered to Canada by the proposed Canadian train.

As a compliment to the French train exhibit, it is expected by the French Government, and greatly desired by the Department of Trade and Commerce that a similar train containing Canadian exhibits will next year make a tour through France for the purpose of presenting to the French buyers, in an attractive, picturesque and practical way, the resources of the Dominion.

There appears no better method to instil a greater knowledge and more intimate appreciation by the French and Canadian peoples of their respective capacities for an exchange of commodities to mutual advantage.

The privileges granted by the French Government are an exact replica of those which Canada has granted to the French Exhibition Train, but it must not be overlooked that in such an exchange of facilities, Canada will be the more largely benefited.

Canada will have a unique opportunity to advertise its resources to a market of 38,000,000 people, whereas in return, France will appeal to a market of less than 9,000,000 people. In addition, Canada will have the advantage of having an exhibit for an extended time in one of the most beautiful buildings in the world, where it would be viewed not only by the large population in Paris (2,850,000), but by the great travelling public, tourists, and buyers which congregate in the French capital from all over the world.

The Department therefore bespeaks from the Canadian public their interest and co-operation in undertaking a reciprocal exhibition which is unique of its kind, and one which can only be of great commercial and financial benefit to the Dominion.

In view of the results obtained the honourable gentleman is to be congratulated on his clear vision and business acumen.

But as the understanding called for a fair exchange of facilities between the two countries, briefly, it is necessary to note what France received from Canada in1921, in order that we may the better appreciate what Canada in turn received from France.

In 1921, the Canadian Pacific Railway Company and the Grand Trunk Company placed at the disposal of France, for an itinerant exposition, a palatial train composed of 8 exhibition cars, 2 sleepers, I dining car, 1 dynamo and baggage car. This train, fully equipped with its contingent of goods and exhibitors, was gratuitously hauled from the Atlantic to the Pacific and back, for a distance of over 8,000 miles, with stoppages in some 65 cities and towns, during the months of September and October.

At the inauguration of the French Train France was represented by Marshal Fayolle, and Canada by the Right Hon. Mr. Meighen, who, in the name of his Government, welcomed the French Mission in a speech widely reported and very favourably commented upon in the French press. At every stop the train was thrown open to an ever numerous and interested public. Then, in every city a theatre was also furnished without charge to France for moving picture displays. At the completion of the tour, the magnificent museum hall of the High Commercial School of Montreal was emptied of its thousands of specimens, refreshed and freely placed at the disposal of France for a fixed exhibition which was brilliantly inaugurated by Marshal Foch, and which lasted for several weeks. The French Mission accompanying the train was received throughout the country with the greatest kindness and lavish hospitality, as many members of this House who were good enough to join in the hearty welcome will no doubt recollect. May I refer in particular to the honourable the Leader of this side of the House (Hon. Sir James Lougheed), who extended to the French delegates the Government's greetings in this city, in words of extreme kindness which have not been forgotten across the water. These, in the main, were the facilities extended in relation to the French Exhibition Train in 1921.

It is a pleasant duty for me to deliver the first message, which was entrusted to me last summer by thousands and thousands of Frenchmen, in fact by the whole French nation. This message is one of very deep gratitude to "the Right Hon. Sir Robert Borden, the Right Hon. Arthur Meighen, the Right Hon. Sir George Foster, the Hon. Mr. Stevens, who succeeded Sir George as Minister of Trade and Commerce, to Mr. E. W. Beatty, President of the Canadian Pacific Railway Company; to Sir Henry Thornton, the head of the Canadian National Railways; to Senators and members of Parliament; to the many mayors of our cities and presidents of our Chambers of Commerce; to our Canadian, Rotary, and Lion clubs, and other organizations; and to the editors of the Canadian newspapers, who have all generously contributed in making the French Exhibition Train a wonderfully responsive instrument to stimulate trade and quicken sympathy between the two countries.

This honourable House can now fairly appreciate what advantages are to be expected for the Canadian Exhibition Train to France in 1923.

The material and personnel for our Exhibition were gathered in the first half of last year by an Executive created by the Canadian Government, and composed of Mr. Rinfret, M.P., representing the Canadian

Press, Mr. O'Hara, Deputy Minister of Trade and Commerce, Mr. A. W. Tolmie, Exhibition Commissioner of Canada, Mr. Walsh, General Manager of the Canadian Manufacturers Association, Col. Dennis, of the C.P.R., Mr. Charlton of the C.N.R., and the speaker.

To this was added an Honourary Committee headed by the Governor General, the Prime Minister, the Lieutenant-Governors of the various provinces, members of the Cabinet, the Presidents of our two big railway systems, and other important personages.

The Executive Committee deserves great credit for the conscientious endeavour they have applied to their task. At the end of June last, their work on this side of the water, was completed.

The material of the exhibition comprised the goods and wares of 130 manufacturers, collected not without difficulty, and in great part through the good offices of the Canadian Manufacturers Association. Seventy-five per cent of these goods were accompanied by booklets and catalogues, carefully translated into the French language.

The exhibition was further composed of an excellent display in the form of small dioramas of our two large railway systems, of two moving picture equipments, of a suitable collection of films. and exceptionally good pamphlets for propaganda furnished by the Province of Quebec, the Canadian Pacific and the Canadian National Railways. I have laid on the Table of this House a few of these pamphlets. You will, I am sure admire, the skill and art with which they were prepared and will easily understand the success they have achieved.

The purpose of the scheme was twofold: to display and sell our goods—that was the immediate commercial end in view; and to advertise Canada as a whole—which was more in line with general propaganda.

The staff contemplated was to have been divided into two sections. The first would require a sales director, his assistants and the commercial representatives of exhibitors. An effort was first directed towards this part of the personnel, and Mr. Chesney was chosen to direct it. He was a gentleman of great experience, and performed his duties with much judgment, efficiency and success. If the idea of the train was somewhat new, the composition of its staff was quite in keeping. The organization required at least 30 commercial representatives, who it was confidentially expected, would be furnished by the exhibiting firms. As there were thirty booths, or more exactly thirty show-windows, a representative per unit was considered the minimum required, and much more was hoped for. The French Government was offering the Canadian staff gratuitous lodging and transportation through the whole of France, and this offer; it was thought, would be an irresistible inducement to our manufacturers. This hope turned out to be a bitter disappointment. Eight only could be mustered, to whom were added the two excellent representatives, readily and generously furnished by our two big railway systems. The management faced the anxious problem of completing this staff within a few days without additional financial assistance. As it could not hire help, the management attempted to borrow it.

Through the kind collaboration of the Minister of Trade, two precious recruits were obtained: Col. Barre, Trade Commissioner in France, and Mr. G. Parizeau, Junior Trade Commissioner in Ottawa. The former, on an important part of the circuit took charge of the staff and lectured on the resources of Canada; the latter directed the information bureau, and assumed the responsibility for part of the accounting. Both acquitted themselves of their respective duties in a highly creditable way. The Minister of Agriculture named as his special representative Mr. Bouchard, M.P. for Kamouraska and Professor of Agriculture at the College of St. Anne, Quebec. Mr. Bouchard lectured with great competency on the agricultural resources and wealth of Canada. The Minister of the Interior selected Mr. Buisson, who efficiently took charge of an excellent mineral display and also lectured on our mineral possibilities

The honourable Speaker of the Senate, jointly with the honourable Speaker of the Commons, was good enough to grant leave of absence to Mr. Tarte of the Parliamentary Library, who took in hand the secretariat, fulfilling its arduous and exacting duties to the satisfaction of all, which, under the circumstances, was a rare feat. Three very precious accessions were due to the Government of the Province of Quebec, and in particular to the Hon. Messrs. Taschereau and Caron.

Mr. Laureys, the able principal of the High Commercial School of Montreal, who in France gave a series of remarkable lectures assumed supervision of the staff for part of the time, and took full charge of the entire train in Belgium. Mr. Désilets, the Director of Agricultural propaganda in the Province of Quebec, and Mr. Giroux, of the Department of Mines and Forests, both lectured with marked success on their respective specialties.

But this was by no means sufficient and, as no further borrowing of help seemed possible, of necessity the management got bolder and

attempted to obtain by pure gift what it could not borrow. An appeal to young men of excellent education and special training for international trade was made by the High Commercial School and our universities. The result was most gratifying. Four young university graduates volunteered to serve gratuitously. They were Messrs. Bruchesi, Belanger, Derome and Rochon. Mr. Bruchesi, in addition to his exacting duties, crowded in a few excellent lectures on the intellectual development of Canada. It is a pleasant duty for me to attest that for 6 months all these gentlemen fulfilled their functions, which were often trying—with admirable devotion, and without receiving any remuneration whatsoever from the funds allotted to the Train.

Good fortune willed it that three more precious recruits were obtainable in France who were willing to serve without any compensation. Mr. Godfroy Langlois, the able Commissioner of the Province of Quebec in Belgium, who assumed the responsibility of the English and French press, was one of them: he rendered very valuable services. A second recruit was Dr. Ami, the well-known Canadian geologist, who gave numerous lectures which were highly praised, on the mineral resources of Canada. The third one was Mr. Michel Laglenne, director of an important banking house in Paris, who generously assumed to control expenditure.

The two railway systems were wise in the selection of their officials—Mr. Clouthier of the C.P.R., and Mr. Regamey of the C.N.R. The attractiveness of their booths, and the distribution of their special literature, etc., contributed in no small measure to the general success.

An effort was made to complete this staff by the addition to it of ten students from Paris, who would also serve gratuitously. This proved unsatisfactory, as the students from the very first were dissatisfied, mainly on account of accommodation in the hotels. After a short trial, this was found impracticable, and their services were dispensed with.

Again, plans had to be modified. A bureau of information was formed and the unmanned show-windows were left in charge of the local police. This readjustment resulted in reducing expenses and increasing efficiency.

The personnel, so compressed, permitted savings which were utilized in securing two excellent newspaper representatives: Mr. Ingram, the Canadian Associated Press agent in France, and Mr. Hubert Morand, one of the editors of the well known Parisian daily, "Le Journal des Debats."

In brief, when ready to depart, the train counted 8 or 10 agents of the exhibitors, two of the railways, and about 20 other members of the staff, of which only half a dozen were paid, and most of them but a scanty indemnity.

May I ask you now to turn to France's contribution to the venture? Early in 1923, at the special request of Mr. Poincaré, Prime Minister of France, and Mr. Dior, Minister of Trade, the French Parliament and French railways had voted a sum of no less than five million francs to fittingly acknowledge and repay Canadian hospitality. At the rate of exchange, then prevailing, this represented approximately $350,000. Burdened with colossal financial obligations, such a handsome contribution showed that France, as a unit, had accepted the eloquent and moving appeal of Mr. Geo. Gérald, M.P., concluding with the message of Mr. Poincaré that nothing was too good for the valiant Canadian nation. These words found a ready response in the heart of every Frenchman and were lived up to in a manner which I can but faintly and very inadequately portray.

Before stating more specifically what facilities were extended by France to the Canadian train, a very short explanation is required. The experience of the French train in its circuit through the Dominion had demonstrated some of its weaknesses. The course followed by the Exhibition rigidly tied to the rails was found sometimes unsatisfactory, as stations are not always conveniently situated for the purposes of an exhibition. Besides, the capacity of the train to rapidly absorb a large attendance was very limited. The procuring of theatres for cinematographic displays was found difficult and the displays themselves would rather divert the attention of the public from the Exhibition. On the other hand, its educative pictures would hardly compete with the sensational films now universally in use. Prompted by this experience, Canada requested the French government to substitute a motor train in lieu of a railway train for the Canadian Exhibition. Indeed, the difficulties encountered on the Canadian lines would have been well night insurmountable on the French lines. Further, the French government was requested to furnish specially fitted motor cars for open-air cinema, instead of the chain of threatres provided by Canada. To this they readily agreed.

When the Canadian personnel arrived in France at the beginning of July, 1923, they found assembled in an immense warehouse in Havre the entire train equipment freshly turned out of Renault's great works at Bil-

lancourt, near Paris. It comprised 30 motors short, strong and supple, with special devices to hitch instantly to trailers; 30 steel trailers, each in the shape of a large show-window opening on one side by the lifting of panels hinged at the top; two additional motors and trailers fitted up for moving-picture displays; one dynamo car; two baggage cars; two autocars for the personnel and one pilot car, and one repair car. It would be difficult to imagine a more artistic and practical equipment. It was of battelship grey, with a wide blue band bearing in large letters, "Exposition Canadienne—Canadian Exposition." With it all was a military trained corps of some fifty chauffeurs, mecaniciens, etc. under the orders of Capitaine Delest, a splendid efficient French officer, who, during the war commanded 5,000 trucks. Back of Capitaine Delest was the executive entrusted by the French government with the organization of the tour of the Canadian train. Back of the executive was an honorary committee headed by the President and Prime Minister of the French Republic, the members of the Cabinet and many of the most prominent men of France. The executive committee comprised the executive heads of several Government departments, of all the French railways, etc., and was presided over and directed by Mr. John Dal Piaz, the well known and highly respected president of the French liners. Actively collaborating with the executive committee were all the different governmental departments, members of both Houses of Parliament, prefects and sub-prefects, chambers of commerce or other commercial bodies, military governors, generals, etc., municipal corporations, religious congregations, including cardinals, archbishops, bishops, universities, colleges, etc., great bodies of manufacturers, merchants, professional men and the mass of the people in France, ready and anxious to receive and honour Canada through its delegates.

No more complete and effective organization was ever conceived. It was ready on time, started on time, and functioned for three months without one single mishap or delay. For it all, the greatest praise and the warmest thanks are due to Mr. Dal Piaz, to the members of the executive and to Mr. Ronssin, who, under Mr. Dal Piaz, for months worked day and night to assure the success of the exhibition and the well-being and comfort of the Canadian Mission.

May I now ask you to picture in your mind's eye the progress of the train though the beautiful land of France? An imposing three-mile caravan of huge gray and blue motor cars shining with cleanliness, driven by uniformed chauffeurs, twining its way along country roads or through mediaval villages. The people drop their tools in the fields or run to the door-steps in the villages to gaze with astonishment as each unit silently and swiftly rolls by. As the point of destination is in sight, the long chain crawls to a stop, its links are drawn closer cleaned and polished if need be; then it glides slowly and imposingly along quaint old streets overcrowded, and profusely decorated with flags and inscriptions of welcome.

Hon. Mr. DAVID: Was the honourable member obliged to make speeches everywhere?

Hon. Mr. MURPHY: Certainly he was; and he could do it too.

Hon. Mr. BEAUBIEN: I was. The most spacious and central public square is soon reached and encircled, the inner sides of the trailers are swung upwards on their hinges, the awnings stretched and joined from car to car—the electric light turned on—and, as by magic, a most attractive commercial street has been created, with its succession of show-windows running all around the outer edges of the square. The moving picture equipments are rolled into position, screens erected, police distributed and the crowds by thousands flow in, press around the square and congregate before the moving-picture batteries until the square is jammed to its full capacity.

Of the several millions who viewed the Canadian Exhibition, how many knew Canada otherwise than historically and sympathetically? Now that they have seen they know that Canada produces more than wheat and agricultural instruments. They are aware that Canada produces yearly even more by manufacturing than farming, and that her production covers the whole scale of commodities.

But I intend giving you other impressions than my own on this score. Here is the opinion expressed by the wonderfully gifted Prime Minister of France, Mr. Herriot, in an article written by him on the Canadian train for l'Information:

Our friends, the Canadians, are again in our midst. I have just welcomed them under the leadership of the Hon. Senator Beaubien, and accompanied by the Exhibition train, which they are circulating all through our country. They have helped us make the products of our country known throughout the Dominion, and likewise they ask us to back their vigorous effort with a view to develop their export trade. After the war, in which we were associated in sacrifice, it is our duty to respond to their appeal. Too often do we sin by ignorance. It would be a mistake for us, in view of the coming hard times, not to establish bonds of interest to reinforce the bonds of sentiment. Why, for instance, should we persist in buying on the Berlin

market, as before the war, such products as nickel and asbestos, which we need and which are offered to us on the Canadian market? With good-will we could render innumerable services to each other. Let us try.

The Sunday Times, October, 1923:

After visiting 29 principal cities in France and Belgium, and being attended by 3,000,000 people, the Canadian Exhibition train, whose progress has everywhere been marked by scenes of enthusiasm and with substantial reciprocal trade benefits, will terminate its tour to-day.

Composed of thirty Renault trucks of uniform type and colour, followed by cars containing the personnel, electrical apparatus, cinemas and mechanics, the imposing column has been both welcomed and heralded by the authorities. Its advent, indeed, has been made the occasion of visits by Ministers of State, by senators, and by deputies, and other prominent personages. Nowhere has it figured as a mere travelling "show"; it has been more in the nature of a state procession. Receptions and banquets were everywhere the order of the day.

At Nancy, for example, which still has many of the dignities of a once royal city, the immense Place Stanislas was the scene of a civic fête, the municipality providing an open-air spectacle, witnessed from the windows and galleries all around. "Vive le Maire" and "Vive le Canada" ascended from 30,000 throats.

La Libre Parole—M. François Veuillot:

In three months this splendid travelling exhibition has been able to show its treasures in 35 of the largest cities in the country. In cities with a population of 100,000 or less the exhibition was visited by half of the inhabitants; and it was certainly known, through the newspapers, official welcomes and the echoes of these functions, to the other half. The proportion attending in the case of larger centres was necessarily not so high; nevertheless, the attendances exceeded all expectations. Beyond doubt, a most remarkable movement has by this means been launched in France in favour of Canada.

Revue Francaise—M. George Oudard:

This exhibition train is, however, one of the most ingenious attempts ever made to draw closer together two countries with historic ties and a common language, but separated by distance and absolutely unacquainted with each other.

When a firm wishes to do business in a district in which it is not known, it sends one of its travellers equipped with samples to visit the prospective customers. That is what Canada has done. Only, as a nation has more goods to show to the public than the largest firm, Canada has sent her agents, not with grips, but with a train; an itinerant train comprising 30 large automobile trucks and arranged somewhat after the old style of vendors with their shops on wheels.

The train stops in a city; assembles in an open square; the blinds are pulled up, and a real exhibition is offered to the public gaze. Within an hour, after going the rounds of this new sort of fair, you know more about the economic possibilities of Canada and its present activities than if you had read ten huge time-worn volumes dealing with these questions.

France et Monde—M. Dal Piaz:

This evident prosperity, which contains the germ of a still greater prosperity in the future, the French people have been able to appreciate during the triumphant tour of the Canadian exhibition train through our country. For weeks, this convoy has travelled through all our districts, covering more than 5,000 kilometers (about 3,000 miles) before arriving at the Orangerie in the Tuileries, where Parisians and visitors to Paris may see it to-day. Thus the entire population of France has had the unparalleled opportunity of acquainting itself with the immense resources offered by Canada. It has also welcomed our Canadian friends everywhere.

Exportateur Francais—M. Guénard-Hodent:

The Canadian Exposition, which the people of Paris are to visit in the Tuileries, in the buildings of the Orangerie, is the last stage of this novel exhibition which has traversed the entire country. It has wonderfully achieved its purpose, which was to make known in all our provinces, from Artois to Provence and from Alsace to Britanny, the truly extraordinary economic development of Canada in the past 25 years.

The Itinerant form of the Exhibition has proven its value, and the boldness of the undertaking has been repaid by a double success. The French Exposition on Canadian railways in 1921 spread the reputation of our industries de luxe from the Atlantic to the Pacific. The thirty vans and their thirty tractors, built by the Renault firm, and driven by skilful hands all through France, according to a very strict timetable, have convinced all the French people that the Canadian market, which they were neglecting, is a market in which they could do business with great advantage.

May I add to the above press opinions, that of two eminent men in France. One, M. de Wendel, is an outstanding figure in the industrial life of France, being the head of huge iron and steel works. M. de Wendel is besides a Member of Parliament. In welcoming the Canadian Mission at Nancy, in the name of the Chamber of Commerce of that city, he said:

Permit me to thank you on behalf of the manufacturers and business men here present for having given us a glimpse of what you are doing and what you can do, and of the resources contained in that vast country extending from the Atlantic to the Pacific—a country which, after having long been engaged in hunting, fishing and agriculture, is rapidly becoming, while continuing to develop its primary sources of wealth, a country whose manufactures in many respects will soon rival those of the great neighbouring Republic.

The other is Mr. Camille Chautemps, the young and remarkably talented Mayor of Tours, recently chosen as Minister of the Interior in Mr. Herriot's cabinet. In an article published in Métallurgie Française, Mr. Chautemps says:

The success achieved by the French and Canadian trains should not only gratify us as being full of hope for the near future; it should also teach us a lesson. This method of propaganda, which has twice been demonstrated so brilliantly, and the effectiveness of which we have explained above, is one that ought to be kept in constant use in all countries wherein we have to meet foreign competition.

It was a happy omen that the Canadian Caravan should have started from Havres on its conquest of a fair share of the French market, on its intensive campaign to educate an ancient people of an old country of Europe

upon the resources, wealth, and possibilities of a new country of America and of the achievements of a young race, already highly developed and full of hope in its still greater destinies.

Havres de Grâce, at the command of the Great Francis the First, sprang up from the rocks and weeds of the shore of Caux to form the basis of his peaceful conquest of a new world to Christianity and civilization. It became the great ocean gateway of Normandy, the land of the Conquerors of old. From it, during the seventeenth and most of the eighteenth century was instilled the very life of New France.

Roberval, Des Monts, Champlain, the Société des Cents associés, all organized their expeditions from Rouen, the capital of Normandy. Cavalier de La Salle, who faced alone, unafraid, innumerable ferocious tribes and discovered Louisiana, was born in Rouen, and left his native city at the age of 23 to seek a home in Montreal.

It was around the marble table of the palace of Rouen that all important contestations respecting Canada were heard and settled. Rouen was practically ruined by the Seven years' War. Through it she lost more than 300 ships to Great Britain and for a century thereafter lay prostrate under this staggering blow. Nowhere in France could be found so many stately ruins of past history to which could be anchored new bonds of sympathy and of intensified commercial relations.

The inauguration of the train was a most brilliant function. The city of Havres was gay with festivities, elaborate decorations and crowds pouring in from the vicinity. To the local authorities, the French Government wished to add a large delegation from Paris presided over by Mr. Dior, Minister of Trade and Commerce. Immense gatherings, imposing receptions and warm words of welcome marked the occasion with great solemnity. Every authority was represented by those first in rank of dignity the State, and Parliament, the Church, Army, Judiciary, the municipal and industrial and commercial bodies, the French press headed by the great Parisian leaders. Frankly, the occasion was solemn to the point of being almost awe inspiring.

As to those charged with the responsibility of the Canadian Mission, they were anxious lest their country should not be fittingly represented. They were comforted by the timely arrival of a gentleman who, notwithstanding serious sickness in his home, had, at his own expense, raced to and back from Europe for the sole purpose of delivering to France a message of friendship from the Government and people of Canada. The honourable gentleman who accomplished this rare feat of self-abnegation must have found some satisfaction in the remarkable success of his speech, which rang like a clarion call thru the whole of France and also from the marks of respect and esteemed paid to him by Mr. Poincaré as well as the Press and the people of France. It is indeed a great pleasure for me to express to this honourable gentleman, who is no other than the leader of this House (Hon. Mr. Dandurand), the deep appreciation of the Canadian Mission for the marked services rendered by him on that occasion.

From the kindness, warmth and generosity of the reception met by the Canadian Mission at the hands of the Mayor, Mr. Meyer (who has since entered the French cabinet), of the City Council and citizens of Havre, one may judge of all those which awaited it in its entire circuit of France.

I have before my eyes a long list of Ministers, Senators, Members of Parliament, of Marshals and Generals, of Cardinals and Archbishops and Bishops, of Prefects, Members of the Judiciary, Mayors, Presidents of Chambers of Commerce, Universities, Syndicates of Initiative, of large industrial and financial concerns, of members of the French Academy, the Institute of France, of great newspaper editors—in fact, of personages leading in every walk of life, who have seized upon this opportunity to attest their affection and admiration and, above all, their gratitude for Canada. From them all, as from the humblest artisan or farmer, repeatedly came the fervent assurance that France would never forget Canada's sacrifices and noble deeds during the war, and that French mothers would ever lay prayers and flowers on the tombs of Canadian heroes.

If I cannot name all those whose extreme kindness towards the Canadian representatives deserves grateful acknowledgment, there are a few whom it seems impossible to pass without reference.

We are specially indebted to Mr. Poincaré for his invaluable support, to Mr. Dior and Mr. Le Trocquer for their constant and generous collaboration, and to Mr. Dal Piaz for his devoted, untiring and remarkably successful efforts. All the French Railways and their able managers, Mr. Ronssin and the members of the Executive Committee, are also entitled to our warmest appreciation.

I cannot but name also Mr. Doumergue, who, as president of the French Senate, received with the greatest hospitality the Mission at Nimes. It was on this occasion, that he was tendered and acknowledged so gracefully the cordial message sent to him by the Speaker

of this Hon. House. Mr. Doumerge has since become President of the Republic of France.

I feel that we also owe a special debt of gratitude to Mr. Herriot for his royal reception in the great city of Lyons, of which continuously for nineteen years he has been the Chief Magistrate and the greatest factor of progress. Mr. Herriot is at present Prime Minister of France.

The accommodation for the Canadian Exhibition was excellently ordered in every city, and with the help of a large contingent of municipal police the multitudes pouring in and out of the Exhibition could be well cared for. It was indeed gratifying to hear the general expression of surprise at Canada's importance and development and specially at its diversified industrial production, revealed to the entire nation for the first time. The novelty of the train, the variety and attractiveness of its display, the excellence of the literature distributed, its growing success, and the sympathetic utterances of the speakers at the many receptions were given an enormous publicity by the entire press of France;

The more so as a new reference to the train was made at every stop. The longer the publicity, the greater the interest of the public. Before the train had more than started on its journey, the French government was severely criticized by certain centres which it had been found impossible to include within its itinerary. The train, so auspiciously inaugurated at Havre on the 16th of July last, completed its circuit of France on the 9th of October following. It held exhibitions in the following cities: Le Havre, Rouen, Amiens, Lille, Reims, Metz, Nancy, Strasbourg, Mulhouse, Montebeliard, Dijon, Clermont-Ferrand, St. Etienne, Lyon, Aix-les-Bains, Grenoble, Marseilles, Montpelier, Toulouse, Bayonne, Bordeaux, Angouleme, Limoges, Nimes, Orléans, Tours, Nantes, Rennes, le Mans, Verdun, Besançon, Vichy, Valence-Avignon, Paris.

In the largest centres, it was conservatively estimated that often, at a given time, the enclosure of the Canadian Exhibition contained from 40,000 to 50,000 people. For the entire circuit, a daily estimate of the attendance brought it well over the 3,000,000 mark.

A few photos taken at many different points give an idea although inadequate, of these enormous gatherings. They have been placed on the table of the House for the information of any honourable member.

The mission gathered vivid impressions on this unique journey through one of the most beautiful lands in the world, and among one of the most attractive and sympathetic races of humanity. Deep emotions were often provoked by unexpected scenes and by words of fiery eloquence. To this day I can hear, amid an impressive silence, the grand Archbishop of Rouen, Primate of Normandy, quoting for the Canadians the welcoming words of St. Paul: "You are not strangers, nor even friends; you are citizens;" and also the tense accent of Mr. Mangin, the old and feeble mayor of Nancy, expressing thanks to the Canadian Red Cross for the gift of the ambulance which, as a simple fireman, he had accompanied for months during the bombardment of his city. Mayor Mangin, batonnier of the bar of Nancy, over 70 years of age, lived for 3 years in a fire station, doing active duty day and night until his infirmities finally downed his courage. Picture to yourself the venerable Cardinal Luçon, 85 years old, standing bareheaded before the lamentable ruins of his Cathedral of Reims, stretching his arms in desolation towards the city destroyed before his eyes by the brutality of the Germans, and crying out in despair, "Of the 14,000 homes of my children, alas, only 14 have been spared!"

Will you follow the journey of the Mission through the desolation of the devastated departments—all valiantly and successfully struggling towards normal life—in its pious pilgrimage to St. Julien, Vimy, etc., in its reception in the Citadel of Verdun, and in all the great Cathedrals and Castles, milestones of glorious history; its vision of the infinite beauty and variety of scenery ever changing from the stern north to the sunny south and from the Alpes to the Pyrenees. Imagine the surprise at being the guest of gentlemen thoroughly French, bearing the names of Farrel, O'Reilly, and James Carmichael, one being the Chief Justice of Rouen, the other the President of the Chamber of Commerce of Amiens. And what an opportunity for studying at close range the great industries, markets and ports of France, with a view to linking their activities up with our own.

Of this all, much should be said, but it is far beyond the scope of these remarks. May I be permitted, however, to impart to you the lesson which I have learnt through this exhaustive and unforgettable tour of France. It is this. No traveller knows France and the French people who follows the beaten path of the tourist. Let the traveller map for himself a new itinerary, and he can satisfy whatever his craving may be, in the domain of the beautiful, either in nature or in art, in the sphere of history, or even in that of simple repose and health restoration within some of the numerous renowned health resorts of France.

Let him but choose his path away from the journeying crowds hailing from the four cor-

ners of the earth, in order that he may really see the French nation in the rhythm of its usual life, and not a fantastical composite of all the travellers of the world.

After its complete circuit of France, the train entered Paris on the 9th of October. As some misunderstanding prevented its immediate admission to the Gardens of the Tuileries, the opportunity of sending it to Belgium was seized by the forelock. Indeed, as the result of negotiations carried on by Mr. Laureys with the Belgian Minister of Foreign Affairs, a gracious invitation to visit that country had been extended by the Belgian Government, cities and chambers of commerce, etc. Therefore, the train left Paris on the 16th of October for Mons, then successively for Charleroi, Namur, Liege, Anvers, Gand and Brussels. The trip to Belgium was also acknowledged as having been highly successful. Great interest and satisfaction were shown by the masses. Fitting receptions everywhere met the Canadian delegation, deep gratitude was expressed for Canada's share in the war, and felicitations and good wishes were extended for her endeavour in developing Belgo-Canadian trade relations.

The greeting at Mons was particularly moving. The relief of that city by the Canadian troops has left in the hearts of its citizens a very vivid sentiment of gratitude.

The capital of the Kingdom did great honour to the Mission, especially by a personal audience of His Majesty Albert the First, who paid the highest tribute to the Canadian armies of whose valour he had been a personal witness frequently in the course of the conflict. Practically during the entire trip through Belgium, the Canadian Exhibition was in charge of Mr. Laureys, and I think the highest praise is due to him for the manner in which he acquitted himself of an arduous and difficult task. Mr. Langlois is entitled to a generous share of these congratulations for his tactful and effective collaboration.

The train returned to Paris on the 30th of October, and within a few days the perambulating exposition had been set up in the magnificient frame of L'Orangerie in the Tuileries gardens. More than doubled in size by temporary buildings expressly erected for the purpose by the French Government, the space placed at our disposal measured about 120 feet by 300 feet. The first portion of the space was taken by two very large dioramas representing attractive Canadian scenery designed and erected under the supervision of Messrs. Tolmie and Turcotte of the Canadian Exhibition Branch of the Department of the Interior. By means of a rheostat which brought lights of different tints in and out of play, the gradual and slow change of illumination from dawn to sunset and moonlight, brought an alluring charm to these beautiful landscapes. The art and skill of Messrs. Tolmie and Turcotte in planning and constructing these dioramas cannot be too highly praised.

The second portion of space was used by our two railway systems mostly with smaller dioramas, most of which were extremely pretty and most popular, with their miniscule steamers sailing in and out of harbours and toy trains appearing and vanishing in the golden plains of the West and the majestic gorges of the Rockies. The third portion was surrounded by booths which contained the exhibits of the train.

The Paris exhibition was inaugurated by Mr Poincaré and Sir Lomer Gouin on the 8th of November, and was closed on the 9th of December, after having been twice prolonged to meet the public's pressing demand. It was officially visited by Mr. Millerand, the President of the Republic, who was welcomed by the Prime Minister of Canada, Lord Crewe, the British Ambassador to France, the Speaker of the Canadian House of Commons, and a very large and important delegation of the Canadian colony in Paris, led by Mr. Philippe Roy, our Commissioner General. Often was it stated that the Canadian exhibition had achieved unparalled success and broken all records of attendance in Paris. This I believe to be true, but I crave the privilege of quoting from some of the leading organs of public opinion, recognized as such the world over:

La Vie Courante—M. Gabriel Hanotaux:

The visit of the Canadian train has been an event of Paris. The crowd that pressed through its galleries, with their never-to-be-forgotten horizons, was instructed, entertained, inspired. It learned much, surmised somewhat, longed intensely. "So this is Canada—a continent."

Now the train is gone. The continent has been packed up again! That which has traversed all France, showing to our cities the grandeur of its forests, its fields, its rivers, its mountains, its factories, its cities, has been stowed away again in the packing cases that brought it. It came to us upon the flood, it has gone with the ebb, and now it sails across the waters. In the bottom of a hold, it muses upon its glory of a summer, and perhaps still echoes the cheers and demonstrations that welcomed it. Its well wrapped bales retain in some obscure corner a breath of the mother country.

* * * * * * * * *

So this is the country which, as Lord Grey said, "contains a population equal to that of London in an area equal to that of Europe."

Along the train, stationed in the narrow space of the Tuileries were unfolded, as far as the eye could see, the vast regions that Champlain first started to explore (187 million hectares, or about 460 million acres). The view, extending beyond prairies and mighty rivers, is arrested only by the walls of mountain peaks, the mantle of eternal snows, or the ice-floes of the polar ocean. What breathing spaces are over there!

* * * * * * * * * *

Here are the woods—woods of maple, oak and pine—forests that no human foot has ever trod, that have awaited man since the beginning of time.

Here are countless herds that go swinging across the prairie, the cows with their large hanging udders, the bulls with their broad shining backs, the calves galloping away from barking dogs. These enormous food supplies of all sorts will innocently find their way into tin boxes labelled "preserved meat," and otherwise known as "bully beef."

* * * * * * * * * *

And here are the crops! stubble so thick that one wonders how the machine will ever penetrate it, sheaves in such number that one wonders how the hand of man can load them all into the big cars—sheaves of Jericho that are baked and rebaked in the burning sun—stacks and granaries crammed to overflowing with golden grain—and it is gold indeed.

* * * * * * * * * *

Life springs up: here are pretty farm homes, white or ivy-covered, with laneways running between rows of maples, situated on the banks of a clear stream, displaying their neat gardens with rectangular pathways and giving to the countryside the appearance of a brighter Vendée or a quieter Béarn.

Le Petit Parisien:

All Paris was present yesterday at three o'clock, on the Terrace of the Orangerie. Parliament, the Institute, the Army, the Judiciary, the Administration, the highest class of society, crowded in a brilliant gathering to admire at leisure the treasures of the Canadian Exhibition. The attendance, composed of the elite, followed Mr. Poincaré at a respectful distance. The President of the Council was accompanied by Sir Lomer Gouin, Minister of Justice in Canada.

La République Française—M. René Richard:

If we could go and meet Voltaire in the Champs-Elysées we would take him by the hand, bring him to the Tuileries, and make him blush—if spirits still blush—for his past error about Canada—"Those few acres of snow." Marvellous snow it is, from which spring up fair crops and pastures; golden snow, source of wealth which freely yields to the efforts of men of good will.

Le Journal:

The Canadian Train, unlike that of Henry Séguin, did not enter the station. Yesterday morning it assembled its 50 cars on the Place de la Concorde, in sight of the exposition which is to open on the 8th inst. in the pavilion of the Tuileries.

A very curious train it is. Ordinarily, one thinks of a train as something which carries people from one place to another. Not so this train. It does better; it brings a country right to the homes of the people.

Thus we have in Paris a Canada with its prairies, its lakes, its mountains, its waterfalls, its railways, its flora and fauna, and the industries of its towns and cities.

The Sunday Times:

During the last few weeks the contents of the train, products and panoramas alike, have been on exhibition in the Orangerie, and an annex thereto, in Paris. The police state that more people have attended than have visited the Paris Salon. Every day there has been a queue from the Tuileries gates to the Orangerie doors, and on wet days the added feature, curious to English eyes, of a queue under umbrellas.

The Chicago Tribune:

The Canadian exposition is meeting with even greater success than was anticipated, and on Sunday last between 35,000 and 40,000 persons visited the different stands. So many were waiting for admission that long before the official closing hour cordons of police were obliged to turn the crowd away from the main entrance at the Orangerie of the Tuileries.

The Boston Evening Transcript:

Ever since the phenomenal vogue of Louis Hemon's homely novel of Canadian life, "Maria Chapdelaine," Canada has been very much the fashion in this part of the world.

The latest manifestation of this predilection for things Canadian is the triumph of the Canadian Exposition in the Tuileries Gardens, which (without the slightest street advertising and almost without press announcements) is daily drawing such tremendous crowds that the majority (even after standing patiently in line by the hour, on a wind-swept terrace, at imminent risk of grippe, before passing the turnstile) are unable, by reason of the crush, to catch more than an occasional glimpse of the spectacle they came out to see.

The French Government was particularly pleased with the appreciation shown by Canada through the presence of its Prime Minister and Minister of Justice in Paris, for the reception meted out to the Canadian exhibition, not only in the French metropolis but through the whole of France.

Notwithstanding excessive fatigue, which had impaired his health, Sir Lomer Gouin assumed the honourable but heavy task of representing Canada at the inauguration in Paris, and at the several splendid functions which followed. In doing so he won the admiration of the public of Paris and at the same time the gratitude of the Canadians then present, all of whom were proud to see their country so fittingly represented.

The Speaker of the House of Commons, the Hon. Mr. Lemieux, journeying through France on a different errand, was promptly conscripted for the benefit of the exhibition as an excellent sample of Canadian oratory. This was a happy move, for His Honour the Speaker captured the many and distinguished audiences which he addressed.

One day, in answering a toast of the Minister of Trade, he said, in his usual debonnaire fashion: "The honourable Minister has been altogether too kind to me, but I am not surprised: why, he is an old neighbour of mine, inhabiting in Normandy the parish next to my good country of Gaspé."

Whatever the train may have otherwise accomplished, it is essential to ascertain whether

it proved, as anticipated, to be an economical and effective stimulant for our foreign trade.

In dealing with the first point, nothing could be more instructive than to compare the cost to Canada of this venture with expenditures made by us in the past in connection with the Panama-Pacific and Panama-California exhibitions, the last two international expositions in which we have participated, and which were held in San Francisco and San Diego in 1915 and 1916.

In doing so, it is well to bear in mind that the Canadian Train really comprised three exhibitions: one made up of the journey of the train through France; another, of its circuit in Belgium; and the third, the fixed Exposition in Paris. Besides, I think it can be demonstrated that both these perambulating exhibitions reached a very high percentage of the populations of France and Belgium, and in this respect, at all events, that they were more profitable than our participation to the American expositions.

	Canadian Exhibition.	Panama-Pacific.	Panama-California.
	$	$	$
Salaries..	19,298 00	50,330 42	34,694 50
Trav. exp..	24,403 12	49,471 83	27,887 41
Collc. exh..	12,907 72	48,760 73	Nil
Buildings..	27,045 08	332,443 00	Nil
Supplies..	16,911 30	209,006 72	73,727 26
	$100,565 22	$690,012 70	$136,309 17
Less salvage..		3,776 28	8,267 53
		$686,236 42	$128,041 64

The Canadian Exhibition Commissioner, Mr. Hutcheson, in his 1916 report to the Minister of Agriculture, explains that Canada has been relieved of most of the expense of our contribution to the Panama-California Exhibition. I quote from the report as follows:

> I may add that the management of the Panama-California Exposition, realizing the great importance of the Canadian exhibit as a drawing card, not only placed at our disposal, free of charge, the magnificent building in which our exhibit is now installed, but assumed also to meet all expenses in connection with the transfer of our goods from our building in San Francisco to the Exposition grounds here, and the supplying of water, gas, electric current and guards, thus bringing down to a considerable extent the cost of our participation.

This exhibition meant practically the restaging of the displays made at San Francisco, with most of the expenses, including transportation, assumed by the Americans. Besides, every dollar spent in 1915-1916 was worth at least two expended in 1923.

The officers of the Exhibition department of the Canadian Government have taken possession of the material of the Paris dioramas used in connection with the Canadian Exhibition train. What the salvage may be in this respect cannot be ascertained for the time being. It will not exceed a few thousand dollars.

The comparisons of the above figures are not intended as a criticism of the expenditures made in San Francisco or San Diego, but solely with the view of demonstrating the relative saving made by the country through the use of this new formula. If it had been anything else than a transfer of an exhibition from one city to another and without the very generous contribution of the American people, the expense of the Panama-California Exposition would have exceeded $250,000.

On the other hand, the Canadian Train, with its three-in-one endeavor, barely exceeds $100,000. It has reached more people than one, if not both, of the two exhibitions just referred to; it has done so more effectively, in dealing with all classes of populations, and not exclusively with the leisure class, from which we cannot expect to draw the bone and sinew required to build up this country.

The capital investment for an equipment similar to that used in this instance would not exceed $150,000. The operation of an exhibition train fully manned would not exceed $500 per day. In three months, or less, it could cover any European country, and penetrate every strata of its population. Can a cheaper and more effective method be suggested for getting men and money for Canada?

A Belgian Technical Commission, headed by Mr. Francotte, an ex-Minister, was created to study and report on the Canadian Train. I am informed it did so favorably. A full exhibition train has this year been organized and circulated through Italy. Can we not with some measure of justification quote here the old saying that "Imitation is the most sincere flattery"? The Hon. Mr. Robb and the Hon. Mr. Low, who succeeded him as Minister of Trade, have both trusted the venture and assumed the responsibility of the expense involved in it. Those especially interested in the project are glad to repay this confidence by the evidence that it was not misplaced. They also wish to express to these gentlemen due appreciation for the valuable help received from them.

In the second place, what effect did the Train have on our sales abroad? It is early yet to answer this question with any certainty. Besides, present canditions are abnormally unfavourable and to be guided exclusively by them would be unwise and uselessly depressing. The franc which was quoted at 5.95 in July, 1923, has steadily fallen to 4.45 in February last, losing thereby 1.50 ct. or

more than 25 per cent of its value. Instead of paying a Canadian dollar 16 or 17 frs. in July, the French people had to pay it 22 or 23 francs in February and March last. This operated as a heavy handicap on our exports to France.

But, in addition to these adverse conditions, it must be remembered that nearly all the goods exhibited were without commercial representatives, and that the staff of the train had neither authority nor price list, nor essential information as to quality, quantities available, etc., to sell the same. All that remained possible was to note each enquiry from interested parties and forward the same to Canadian producers. They were forwarded directly when possible, and otherwise, through the Canadian Trade Commissioner in Paris, Col. Barré, and the Trade Department in Ottawa. They numbered no less than 2,276 and fell under the following classification:

Foodstuffs	1,044
Wood, its products and by-products	276
Furs, hides, leather and its products	166
Fibers and Textiles	219
Minerals (other than iron and steel) and their products	52
Iron and steel and their products	214
Chemicals and allied products	79
Miscellaneous commodities	226
	2,276

This roundabout way deprived the Canadian vendor of most of the advantage of the venture, which evidently consisted in bringing him, fully informed and equipped, into immediate contact with his prospective clientele.

Notwithstanding, statistics covering our exports to France from July 1st, 1923, to April 1st, 1924, as compared with the same period of the preceding year, show an increase of $3,088,154. The relative totals for each period stand thus:

1922-23	1923-24
$10,849,436	$13,937,590

Wheat accounts for the greater part of the increase, but there are also other items showing substantial betterment and there are quite a number of them which do not appear at all in our exports to France for the same period of 1922-23, among these are: alcohol, condensed milk, nickel, rye, belting of rubber, solid rubber tires, fresh and frozen salmon, cheese, cotton (duck), other cotton, fibre bags, Kraft paper, needles and pins, motor cars, aluminium, copper manufactures, glass for lighting, mica manufactures, paints. To what should we attribute this substantial gain? Not to the greater need of food products in France, since year by year her fields are steadily restored with correspondingly augmented yields. It can hardly be attributed to the new Franco-Canadian trade treaty, as, except for a few items, such as aluminium, the rates on the bulk of our exports were not materially lowered and some even were increased on items such as rubber tires, canned salmon, vegetables, salted butter, potatoes, etc. However, you may draw your own conclusions from the above facts and figures. To these, perhaps, I may be allowed to add the opinion of a certain number of exhibitors, as expressed by them to the Canadian Manufacturers Association:

(a) Their report (their representatives) deals almost entirely with our own exhibit, which, they stated, attracted considerable attention and they are satisfied that it will enable them to increase our present business in France all of which we handle through this one firm.

(b) Up to the date of writing (October 1924) we have received 12 very favourable enquiries. These have all been answered. From the tone of the letters we have received, the firms writing us are keenly interested, and speak with emphasis on the value of the Canadian exhibit, and the bringing together of closer business relations between France and Canada.

(c) I consider this is one of the best means of overcoming the ignorance of a foreign country and the consequent misunderstandings between different nations.

(b) It has been our impression from the first the first moment after our inspection of the Canadian Show in the shed at Havre, that this original exhibition on the part of a friendly country to France, would meet some good success. Our business, no doubt, will be considerably facilitated for the agents we have in different centres of France. The press has been very favorably disposed and in this way the Exhibition has been very strongly advertised. Our experience is that the attendance taken as a whole has been very satisfactory and the sympathy shown by the different classes of the French public towards Canada has contributed very much to a full appreciation of what could be seen in the different stands. Sometimes, the crowds could harly be dealt with. The French officials in every town have reserved a most warm reception to Canadian Delegation. As far as we are concerned, we are thankful for the courtesy shown to our French representatives by the different members of the delegation in charge of the management of the show. If, in the future, it should be decided to have a similar exhibition, we shall no doubt be very glad indeed of the opportunity of joining it.

(e) We expect to be doing very good business soon.

(f) Possibilities of doing considerable business very good, but at moment no volume can be expected until France comes back to its normal value.

(g) We believe that the exhibit was very well appreciated in France from what we have heard from friends coming back lately, and from what we have read in the French Press.

Some manufacturers have more than expressed their approval in writing, they have demonstrated it by increasing the effectiveness of their representation in France. Some others, like the Wyagamack Pulp and Paper Company, have concluded from this experience with the train that they could win out in the French market, and they have resolu-

tely set out to do it. But of course the Canadian producer must follow up the advantage so fortunately given him; if not, he must lose it all. Let him not forget that. Besides, we have every reason to fortify our trade with France. Credits to French importers present the minimum of risk and are met with a punctuality universally acknowledged.

Notwithstanding the heavy burden of the war and reconstruction, France is fast working back to normality. She is free from unemployment and probably possesses the most conservative of all the peoples in Europe, because it comprises the greatest proportion of land owners. She has regained a favourable balance of trade and in great part repaired her war devastations. Her agriculture is flourishing and her industry producing at full capacity and in many cases, with perfected machinery, more and better goods than before the war. I wish time would permit to place before you even a summary description of her leading industries, as it was the privilege of the Mission to witness them in intensive operation. But this is impossible. The settlement of the reparation debt due by Germany and of sufficient guaranties against future agression is of course her great anxiety and that of her friends, but this cannot be deferred much longer, her determination, whatever party may be in power, will not allow it.

France is Canada's fourth best customer. Notwithstanding this 19 other countries sell to her more than we do. Great Britain and Belgium furnish respectively 18.79 per cent and 15.27 per cent of France's imports. The United States with higher rate of exchange provide 7.20 per cent, Argentine and Australia further removed 1.24 per cent and 0.95 per cent, whilst Canada comes in for 0.52 per cent.

In 1922, the United States sold to France for $262,000,000, composed in part of the following products, for every one of which we ought to be able to compete:

Grain, flour, etc.	$25,000,000
Agricultural implements	14,000,000
Wood and manufactures of	2,500,000
Motors and vehicles	2,500,000
Fruit	4,500,000
Animal oils and fats	3,500,000
Meats	1,500,000
	$53,500,000

Why can we not sell our goods direct to France and save the expensive brokerage of American and European agents?

France in 1922 imported 100 million francs worth of furs not one pelt of which is shown as coming from Canada, although it is evident that large amounts of our choicest furs are served daily to her clientele de luxe. At this juncture, it is worth while to mention the creation by the Chamber of Commerce of Paris of a warehouse where furs can be consigned without payment of duties, and where advances are made on warehouse receipts.

The roundabout and expensive method of selling our furs to France is now followed for our timber.

Mr. Laureys, who has given this matter careful study, states in his report on the Canadian Train, to the Montreal Chamber of Commerce:

> France principally purchases from Canada alimentary products, cereals, canned lobster and salmon, sugar and dried apples. France could buy many others, that Canada exports such as preserved fruit and vegetables especially tomatoes; notwithstanding formidable local competition, (as whole tomatoes from Canada are greatly prized) and the Canadian peach for its taste is preferred to the American peach. It is also true that other products such as pork, ham, cheese, condensed milk, must come in through foreign channels, especially through British intermediaries.
>
> At the present moment, even at the actual rate of exchange there is a market for Canadian lumber (Douglas fir, pitch pine, birch, maple, ash and cherry). It should be possible to export now all lumber for veneering and cabinet making, certain firms are ready and willing to try them.

What has been said about the effect of the Train in stimulating exports to France can be applied to Belgium. It has immediately and decisively increased our sales to that country. The statistics of our monthly exports to that country for 1922-1923 will show that conclusively, if one bears in mind that the Train went to Belgium in November, 1923:

	1922-23	1923-24
July	$1,714,993	$1,578,252
August	703,461	1,241,980
September	1,139,041	648,101
October	1,478,202	946,905
November	2,493,494	1,472,211
	$7,529,191	$5,887,449
Decrease:	$1,641,742.	

	1922-23	1923-24
December	$ 933,069	$1,837,191
January	153,412	1,534,499
February	869,648	2,292,348
March	397,566	1,717,973
April	245,809	698,679
May	1,023,535	1,151,778
	$3,623,039	$9,232,568
Increase:	$5,609,529.	

Thus for the five months which preceded the coming of the Train, every month except one showed a loss as compared with the same month of the preceding year. In this period of five months we had lost ground to the extent of $1,641,742. In opposition to this, in the six months which followed the circuit of the Train, every month shows a substantial increase. In the second period we have not only stopped the decline, but turned it into a gain of $5,609,529.

The enquiries gathered in Belgium numbered 396 and were classified as follows:

Foodstuffs	117
Wood, its products and by-products	71
Furs, hides, leathers and manufactures	33
Fibres and textiles	42
Minerals and their products (other than iron and steel)	19
Iron and steel and their products	44
Chemicals and allied products	21
Miscellaneous commodities	49
	396

What has been stated as to the advantage of extending our trade with France is true of Belgium. She is our sixth best customer. May I quote the above report of Mr. Laureys in a brief reference to Belgium:

> Canada sells to Belgium grain, specially wheat and oats, sugar, milk products, canned fish, asbestos, agricultural implements and other articles for lesser amounts.
>
> Besides these, Canada should directly export to Belgium, flour of wheat, fruit, eggs, honey, salted and smoked meats, and also semi-manufactured industrial products, which do not compete with local manufactures, especially wood pulp and flax fibre. We could further sell live cattle imported in large quantities from the United States and Argentina, furs, etc.

Finally, what has been accomplished in the field of general propaganda? To fairly answer this query, it becomes necessary to examine with some care the rather voluminous extracts of newspapers and reviews which could be obtained and preserved. No doubt a great mass escaped our diligent efforts. Such as they are, they fill the 9 bulky volumes laid on the table of the House. A computation of these articles published by newspapers and reviews, both French and Belgian, totals up to no less than 2,112 newspaper columns of gratuitous and most effective publicity, of which 603 columns appeared in the newspapers and reviews of Paris. If it is true that advertising in the form of news items is by far the most profitable, it is not easy to overestimate the value of this propaganda. Calculated at the lowest rate of ordinary advertising, the use of these columns would have cost Canada at the very least $160,000. The computation of these articles has been laid on the table of the House. I think I can safely affirm that it contains all the organs of each one of the many cities visited by the train in both countries, and besides quite a number of important newspapers published in many countries of Europe, the United States, and even in remote lands such as China, Africa and South America.

May I also call your attention to special numbers of important French reviews: Science et Industrie and L'Exportateur Français, devoted exclusively to Canada, published by reason of the interest created by the Train in Canadian affairs, and widely circulated in France. Over 3,000 copies of these reviews were distributed gratuitously in France.

It is worth mentioning that many of these articles bear the signatures of foremost statesmen, such as Prime Minister Herriot, Mr. Camille Chautemps, Minister of the Interior, Mr. Gabriel Hanotaux, the well-known statesman and member of the French Academy; of many eminent journalists, such as Mr. Paul Delombre, Mr. Grosclaude, Pierre Veber, François Veuillot, Maurice Prax, Jules Corréard, Paul Gauthier, Guénard-Hodent, etc.; of prominent senators and members of Parliament: Senator Menier, the King of Anticosti, and a warm and ever useful friend of Canada; Senators Raphael George Lévy and Edouard Néron; Mr. Géo. Gerald, Mr. Maurice Ajam; and many, many others.

May I be allowed to quote short extracts from a few of these articles dealing with what has been accomplished, not only in direct stimulation of our commerce, or even in general propaganda, but in the higher sphere of international relations. The first article from which I desire to quote was written by an ex-minister of France, a great journalist, an economist of world-wide reputation, Mr. Paul Delombre, and published in the weighty Parisian organ *Le Temps*:

> The Canadian spirit, loyal to Great Britain as well as faithful to France, and the Canadian influence, may do much to prevent or remove deplorable misunderstandings. When the commercial relations between Canada and France improve, as there is reason to hope they will after the double effort of the Canadian Mission, the outcome will be not only the happy economic results. There will be a careful interchange of intellectual influence and a better and more intimate understanding between England and France. Canada, with its splendidly growing population, seems more and more a wonderful bond of union. This is what the Canadian Mission has helped us to more clearly understand, and for that we wish to extend to it our best thanks.

Mr. Juillard, prefect of La Seine, in welcoming the Canadian delegates to Paris, concluded his remarkable address by these words:

> May the precious seed, so carefully laid, bring forth abundant yields in the future—May the Exhibition in its appearance destined to trade only, but never-

theless animated by thoughts highly useful to civilization, strengthen liens of natural sympathies, which day by day are getting more vigorous.

May I add the closing remarks of the stirring oration delivered by Mr. Herriot, Prime Minister of France, upon the occasion of the reception of the Canadian Mission at Lyons:

You have come to France; you are working for the economic and material development of your country, placed as it is in the neighbourhood of a great nation, who by a formidable power of attraction draws to itself all the young forces. You are a country who with too few inhabitants are obliged to administer and to bring into value an immense territory endowed with all the advantages of nature and with all the gifts of human activity, and we can foresee the immense place you are to take more and more in the composition of the great British Empire who is seeking solidity and peace.

At the close of the war, we can see the importance that Canada is to assume in that great discussion which is to open in the autumn, and which is to be, I feel convinced, one of the most important events of the present time. But, in the name of those sacrifices, so nobly and so courageously assumed, it is your part, in these tragic hours, to turn to the two nations of whom you are the friend, and remind them of their duty; to call upon Great Britain and France to walk hand in hand. This is your mission to which you apply at the same time your intelligence and your heart. And that is why your nation, in appearance so small but in reality so great, appears to us about to play a very considerable role in the future that is opening—and that is why maternal France, who forgets no one of her children, she who reserves a great share of her tenderness for those who came, in the hour of need from countries far away, who drew near to her heart to defend it against the dagger of the assassin, she the France of peace, salutes you with all her heart and soul.

This magnificent and stirring piece of eloquence brings to my memory the heartfelt wish expressed at Rennes, by Mr. Rio, then Minister of the Merchant Marine:

May the wide ocean be not the great void that divides, but the great highway that unites.

A last word: everywhere the Canadian delegates were earnestly besought to bear testimony upon their return home to what they had seen and beard. For three months their travels had covered the whole of France and kept them in intimate contact with all classes of its people. As Mgr. Landrieux said with ringing eloquence, from the pulpit of his Cathedral, "They had for months heard the very throbbing of the life of France and nobody could more knowingly stand witness for her —the truth need but to be said to confound her detractors."

I am glad now to offer my testimony to this honourable House, and through it to the country. France has two main preoccupations: to restore her homes and to protect them. To restore them the Hun must be forced to pay; to protect them, the Hun must be constrained to respect the Peace Treaty. For this double purpose France has mustered her grim resolve which will know no falterings and accept no denials, whichever of her sons she may choose to speak for her. The relaxing of her firm hold would mean the prompt releasing of the furies of war. And after the honour, integrity and safety of her homes, France cherishes peace more than any other blessing in this world. She strives and prays for it with all the intensity of her past anguish.

Listen to the peroration of the admirable speech of Mr. Gaston Vidal, Under-Secretary of State for Technical Education, in welcoming the Mission at Vichy. These words have the true ring of the soul of France:

A fortnight ago, I saw them again, those soldiers—or rather those who had survived—at the inauguration of a monument erected to the memory of their dead. There were two hundred names, and at the foot stood an old Chasseur who answered "Died for France" at the call of each name. Then, once—five times the name of Fraisse was called. We felt the grief that filled his eyes with tears and choked his utterance. He could not go on. It was the name of his five brothers. Say, when you return to Canada, that a nation that has suffered this is not militaristic. It has suffered too much from war. It has suffered in its flesh; it has borne too many of its pitiful wrecks of humanity through its hospitals; it has too often felt the agony of the surgeon's knife sunk into its bruised flesh; it has breathed too much the acrid odour of chloroform. But tell them also that, in spite of all, France has too deep a sense of right and justice to permit this iniquity. A victorious nation that has signed in blood the names of its 1,600,000 dead, and along whose country roads are trailed the long veils of its widows (who have nothing of the warlike spirit of the Walkyries)—say that that is France; that it is noble, grand; that it wishes to be respected always and everywhere and to pursue its course untrammelled, adhering to those noble traditions which are common to you and to us—the traditions of all who are present, of those who live in your country and those who live in ours—to whom I drink this toast.

The members of the Mission were treated like spoiled children in France, and practically at every stop were the recipients of souvenirs numerous, beautiful and useful. They desire fittingly to acknowledge these many kindnesses.

Personally, I feel that I must express my deep gratitude for the signal honour paid to me by the French Government, the city of Orleans, the Chamber of Commerce of Paris and the Société de Géographie de France.

Hon. L. O. DAVID: I rise only to tell the honourable member that when I asked him if he had spoken everywhere in France when accompanying the Canadian Exhibition Train, I was prompted by the best of motives, because I am aware that he made scores of speeches which were much applauded and were printed with great praise by a large number of French newspapers. The fact is that the honourable member has congratulated everybody who contributed to the organization and

success of the Exhibition Train, except that he forgot to speak of the man who did most for that organization and for its success: it was himself. Having read many French newspapers that praised the speeches of my honourable friend, I am convinced that he has done honour and good to Canada.

Hon. J. A. McDONALD: Honourable gentlemen, I have a few words to say on the subject, but I shall be very brief. I see by the estimates that $10,000 is appropriated for the Exhibition Train in Belgium, and I think a few remarks might be in order as to advertising, and in fact, upon the whole question of how Canada as a business is being conducted.

The Exhibition Train in France was a spendid idea, and I am gratified that an honourable member of this House has taken the initiative in giving Canada the first real advertising it has ever had. The sculpturing in butter of the figure of a horse, or the figure of a prince, may appeal to some people, but I do not think that in the matter of advertising Canada has received proper attention. As I understand, Ministers of various Departments are approached and in a haphazard way each Department spends a certain amount on advertising. There is no up-to-date business conception of what advertising really means. We ought to engage the best advertising agency money can procure. The situation in Canada is, I think, grave enough to merit serious consideration by this honourable body. Mines are closing down, business houses are liquidating, and the average citizen is so over burdened with taxes that he does not know what to do or how he is going to survive. In this House and in another place we discuss many important problems. There appears to be a spirit of criticism abroad. Much time is spent in an attempt to devise some way of improving the banking system, and the banks have been attacked rather severely. I think that if the Senate and the Commons, acting as directors of this big business of government in Canada, were doing their duty as intelligently and efficiently as the executives of the banks, Canada would be in a different position from that which confronts us to-day. I think Canada may well be proud of its banking system, the outstanding men who operate it, and the admirable way in which they are carrying business houses through, under the present trying circumstances and conditions.

I am going to discuss Canada purely and simply as a business proposition. I claim that we should give to the development of our country the same care and thoughtfulness that would be given to a private business. I do not consider that this is being done. There is no doubt that to-day manufacturers, business men, and workingmen are looking to the Senate for leadership. The whole idea of the Government has apparently been to spend all the money they could lay their hands on, and all they could borrow, for the purpose of building railways or canals, buying hotels, or having royal and private commissions junketting over the country, with Solicitors General and Justice Departments paying out money to outside lawyers for work that should be handled by these Departments. Expenses have been incurred extravagantly on every side, but there is not one proposition or move to bring in money for the proper development of our wonderful resources.

When the Almighty made Canada He gave her four big basic resources—agriculture, mines, fisheries, and forests. What are we doing with these wonderful assets? The Trade and Commerce Department was the last great Department of State to be created. When Sir Richard Cartwright was made Minister of Trade and Commerce in 1896, it was understood that there would be very little for that Department to do; that it was formed in order to give Sir Richard Cartwright a position. There was at that time no idea that Canada would ever amount to anything as an exporting country. True, some great men of that day, like Sir John A. Macdonald and Sir George Foster, were interested in the export trade—

The Hon. the SPEAKER: I am afraid I must point out to the honourable gentleman that the subject under discussion is the Canadian Exhibition Train in France, and I cannot see that the honourable gentleman's remarks have any bearing on that.

Hon. Mr. McDONALD: I am coming to that later on.

The Hon. the SPEAKER: I cannot see that the honourable gentleman's remarks have anything to do with the motion on the Order Paper.

Hon. Mr. McDONALD: I am following the speech of an honourable gentleman on the advertising of Canada, and I think I am in order in following along these lines.

It is true that Sir John A. Macdonald and Sir George E. Foster took considerable interest in foreign trade and hoped that the time would come when Canada would be a large exporter. In fact, Sir John A. Macdonald, in November, 1890, wrote a letter to Sir George Stephen, which is reproduced in his volume of correspondence, and in which

he showed that he had a glimmering of what was coming. Up to that time we had been only local producers. A few enterprising men were looking to foreign markets, and began to think of invading other countries, and our foreign trade began to grow. If twenty years ago a man had said that Canada would export $500,000,000 worth of manufactured goods he would have been considered crazy. Still, nineteen years later, this result has been accomplished. There is no country in the world so favourably situated as Canada for export business. She has ports on two oceans; she faces both Europe and Asia, and the only possible rival she can have in this respect is the United States. We have two great National Railway Systems, and have made great progress with our Merchant Marine. I think Canada's foreign trade is most important for three reasons: First, because it is the best means of advertising the country to the world, thus attracting population and capital. Secondly, the cost of opening up this country and building railways and canals and harbours can only be met—and I think this is a very serious point—by selling the natural products and manufactured goods to the other nations of the world. Thirdly, Canada must sell more than she buys, because she is a creditor nation. The only way we can pay our interest abroad on borrowed capital is by having a surplus of exports over imports. With a view to paying our interest abroad, it is necessary for us to maintain our dollar at par, and this can only be done by keeping our exports well above our imports. For these three reasons, Canada should give more attention to her foreign trade than she is giving at the present time.

We must carefully look into the means for extending our foreign trade and developing our economic strength, and I think they may be roughly classified as follows: Prohibition of export raw products of which we have a virtual monopoly, such as asbestos, nickel, timber, pulp, etc. Secondly, the formation of clubs in commercial centers in Canada for the study of export problems. Thirdly, the establishment of co-operation between producers and manufacturers of a class of goods so as to reduce the cost of selling abroad. For example, piano manufacturers who are doing an export business should be combined for export business. In Germany the carton system embodies this principle. Fourthly and most important, the establishment of trade agents and consuls at all trade points throughout the world. The cost of this should be provided for by adoption of the same plan as is in force in the United States, Japan, France and Belgium now: a visé fee would be collected on every invoice of $100 where goods are being exported from a foreign country to Canada. I understand that a few years ago Mr. O'Hara of the Department of Trade and Commerce presented a memorandum on this subject to Mr. Meighen, then Prime Minister. This was submitted to the Cabinet, and as a result an amendment to the Customs Act was authorized providing that all invoices from foreign countries must be viséd at port of origin, by a Canadian trade agent or British consul.

This law was to come into effect about the time the change of Government occurred. At the first session of the King Parliament this regulation was repealed, and the whole scheme was abandoned.

Few people realize the value of our exports to the United States. In 1913 we sold them $142,000,000 worth of goods; in 1923, $416,000,000 worth, or nearly three times as much. I am confident that if we had as many trade agents or consuls in the United States as they have in Canada, this wonderful total could be doubled. So, if Canada can sell to the United States, the most difficult market in the world to get into at the present time, she is able to compete in every other foreign country, if the Government will provide the machinery with which to work. Canada has not quite got over the feeling that she cannot compete in manufactured products with the United States. This idea must be eradicated, if we are to reap the greatest measure of success. In other words, we need a campaign to make us believe in ourselves; this to be followed by another campaign to make the world believe that we believe in ourselves. I consider these the two greatest campaigns necessary for national success. As long as one political party sits back and hits and slashes at the other party for political advantage, there is very little chance for national progress of any kind.

The situation to-day in Canada is this: Canada is represented in the Argentine Republic by E. L. McColl, in Australia by D. H. Ross, in Belgium by A. Stuart Bleakney, in Brazil by P. W. Cook, in the British West Indies by H. R. Poussette and by James Cormack, in China by J. W. Ross, in Denmark by B. S. Webb, in France by Hercule Barré, in Germany by L. D. Wilgress, in Holland by F. H. Palmer, in India and Ceylon by H. A. Chisholm, in Italy by W. McL. Clarke, in Japan by A. E. Bryan, in Mexico by C. Noel Wilde, in New Zealand by C. M. Croft, in South Africa by R. S. O'Meara, in Straits

Settlements by A. B. Muddiman, in the United Kingdom by Harrison Watson, in London, J. E. Ray in Manchester, J. Forsyth Smith in Liverpool, Douglas S. Cole in Bristol, Gordon B. Johnson in Glasgow; and by Frederic Hudd in the United States.

Imagine Canada as a business institution, with ourselves as directors, with the means that we have at command, and the world as a customer. We are not doing ourselves justice. China has a population of four hundred millions. I understand that the Chinaman is commencing to eat wheat. He tried for three successive years to raise wheat, but the rust put him out of business. Now, instead of having one poor ridiculous office in China, we should send a thousand men and women into that country; men who understand salesmanship; men who understand wheat, and women to establish schools to teach the Chinaman to leave his rice and eat wheat. I consider that on every bill-board in Canada, at every cross-road, in every moving-picture house, we should be painting in colours, as glaring and as prominent as possible, the words "The Chinaman is beginning to eat wheat." If we realized what creating an appetite for wheat would mean in a population of four hundred millions, we can see the enormous possibilities to the Canadian producers.

Again, the Maritime Provinces, surrounded by the greatest fish waters in the world, are going behind; yet in the Mediterranean we have a market that would buy and eat every fish that could be caught and transported there. Why should not the Government, instead of having only one representative in that market, send 100 or 200 fish salesmen to dispose of our marine products, instead of spending millions of dollars in building railways, buying hotels, and sending Commissions all over the country? A large body of progressive salesmen would open up the wonderful Mediterranean market, and the Maritime Provinces could then transport to that country practically all the surplus fish products of those provinces, and put that end of Canada on its feet commercially and financially.

When King George toured the world as Prince of Wales, he returned to England with the slogan, "Wake up, England!" He was right. I believe that the Parliament of Canada, realizing the magnificent opportunity that we have in the world markets, should not sit at home, one party finding fault with the other, but we should have the slogan, "Wake up, Canada!" That sentiment would produce a stronger and better and more useful people.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I rise mainly to associate myself with the honourable Senator from Mille Iles (Hon. Mr. David) in the very opportune and happy way in which he recognized the basic fact in the whole operation which has been so eloquently pictured to us to-night. I happened to be Minister of Trade and Commerce at the time when the honourable gentleman who has just spoken (Hon. Mr. Beaubien) brought his idea to that Department and talked it over with myself.

It might be thought, by one who simply heard the remarks, that there was an implied criticism in his statement that the idea was broached in 1916, but took a long time to mature. Well, that is right. In 1916 we were in the throes of war, and the confusions of the military operations in France made it impossible to carry out a scheme of this kind. It was well in the end that it was so, because the main opportunity, and the necessary point of contact in the campaign which was carried on in 1923, arose from the fact that all France knew there were Canadians, and that Canadians had fought on the soil of France in the cause of France and of the Allies, while before not one out of a thousand knew anything about Canada as a country. There had been impressed upon them the fact that there were people called Canadians, that they were good fighters, that they crossed the sea 3,000 miles to take part in a war in which they were not primaries, but rather secondaries, and that they did it for a cause which France and the Allies held dear.

Three or four or five years afterwards, a train comes speeding along from Havre through 35 or 40 different cities in France—a train which is Canadian; and every Frenchman who saw that train said to himself, "I knew Canadians; now, what is this story that they have to tell us?" The fact that an interest was excited in Canadian manhood was the foundation upon which the successful operations of 1923 were based. Then those French and Belgian people who had known the Canadians learned about the country that bred and harboured those Canadians—a wonderful country that had never dawned upon even their imagination. Now, contrast Canada, with its spaces and sparse population and immense natural features, with a country like France, in miniature, tabloid, so to speak, which had thousands of years behind it in its history, which had art and everything that long periods of time and the genius of a people can bring to perfection. So, upon that fertile soil of acquaintance with Canadians was made possible the work of 1923.

I am not going to add to the very excellent and picturesque story which has been told us

by the Senator. I rose merely to associate myself with the thanks so well given to him here, and so well earned that they should be given, and add my own expression as to the value of the work that he has performed. I followed him with an admiring eye, and his fine visage and eloquent tongue did a great deal for us in many quarters of France. I wish to note that a campaign was carried on by my honourable friend, the Senator, for a year or two before that, which prepared the way for the coming exhibition in the different cities and larger municipalities. I am glad to say that after I had looked into his proposition I approved of it strongly, and gave it my support; but the support that I or any other Minister gave would have been absolutely fruitless had it not been for the excellent spade work done with such an instrument which is not often found, even in the Senate.

Hon. R. DANDURAND: Honourable gentlemen, I do not know whether I should rise to add anything to what has been so well said, in the form of comments on the statement which the honourable gentleman from Montarville (Hon. Mr. Beaubien) has given us this evening; yet I feel like reminding the Senate of the genesis of this movement.

In 1916 the right honourable gentleman who was head of the Department of Trade and Commerce had decided to send a commercial delegation to France, composed of a certain number of manufacturers, who would explore the ground and prepare for the extension of our work after the war. He felt that that delegation of business men, the majority of them speaking a language which was not that of France, should have an official representative from Canada who could be the mouthpiece of the delegation, at official functions. That mouthpiece was very excellently selected in the person of my honourable friend the member from Montarville (Hon. Mr. Beaubien). He went with that delegation. He was not classed as a business man among those delegates, who were going there for business; yet he had to speak in his mother tongue on their behalf, and he did so most credibly to himself, and most advantageously to Canada. On his return he brought with him an idea. He had found that Canada was not known as a producer, and he realized that the first step we should take was to approach the French people and explain to them what Canada had to sell. He conceived the plan of forming a moving exhibition which would cover the whole of France. It was a simple idea, but of course in order to carry it out he would need to be in a position to offer reciprocal advantages to France. After enlisting the sympathy and the moral support of my right honourable friend, he returned to France with a matured plan. The French Government, the railway companies, and the Chambers of Commerce throughout the whole of France were visted and addressed by him on this second tour, and he carried everything before him, securing the support of all the Government leaders, the associations of France, and the business men. He returned from France, and then started on his mission of enlisting the support of the public men of Canada—manufacturers, boards of trade, chambers of commerce, etc.

I want to render homage to the faith that was in our honourable friend, the courage and tenacity of purpose that were behind that faith. For five or six years he never faltered. I can see him occasionally meeting with a check, but always deciding to go forward.

The French train came to Canada, it went through to the Pacific. He saw to its reception and organizataion, and decided that a Canadian train should go to the other side. He met with extraordinary difficulties, yet he never abandoned his idea; and I confess that when I saw that exhibition train at the point of its departure, at Havre, I noticed that all the public officials of France, from the President of the Republic to the mayor of every city, were interested in the enterprise. I found that it had enlisted the invaluable support of Mr. Dal Piaz as President of the Executive, who was charged with the duty of putting the train in movement and arranging for its reception throughout the whole of France. I really think that homage is due to my honourable friend for what he thus did for this country.

I will not repeat the story which he has unfolded to us; but there is one point which I want to emphasize. The honourable gentleman from Mille Iles has mentioned and the right honourable junior member for Ottawa has also referred to the natural talents which my honourable friend brought to his task. He was with the exhibition train as it moved from day to day. When it reached a city it was received at half-past ten in the morning by the prefect, the representative of the French Government in the Department; then at noon by the mayor at the City Hall; there was then an official luncheon; then a reception in the afternoon at the Chamber of Commerce, and an official dinner in the evening. Our honourable friend was obliged to speak in the morning, at noon, in the afternoon, and in the evening; and for three or four months he maintained this pace, stood the test, and surprised all the journalists who accompanied the train.

I saw an article in an important Paris paper, written by a journalist of no mean order, who dilated upon "Mr. Beaubien, the orator," and stated that in the list of public men of France he could not find an example of such varied talents. He had followed him for eight or ten days, and he found that our friend had to answer four or five times a day addresses that had been prepared for weeks, polished and re-polished. He had to improvise all his replies, and yet he was so uniformly happy in them that this journalist said he could not find another public man in France who could have stood such a test. This is a great homage to Canada, and a very great homage to French Canada. People in the English-speaking provinces of this country, as well as people in the United States, have often asked whether the French spoken on the shores of the St. Lawrence was equal to that spoken in France. After the three months of orations by our honourable friend, we have a unanimous expression of the opinion of France that the French spoken on the shores of the St. Lawrence is equal to the best French spoken in France. I met a member of the French Senate who said that no member of that body or of the French Assembly, who had not been a Minister, could equal the popularity of my honourable friend in France. Members of the French Parliament do not as a rule go much beyond their ridings, and this gentleman said that no member of the Senate or of the Chamber of Deputies had had occasion to go on official missions throughout the length and breadth of France and to deliver addresses at all the principal towns and cities, as our honourable friend had done.

What has been the result of the mission mapped out and carried out by my honourable friend? He has stated that we have been given gratuitously thousands of columns of newspaper publicity in France and Belgium. He could have stressed that point by adding that in all the newspapers of France appeared more than one leading article upon the Canadian Exhibition, and that in every town through which the train passed the newspapers were filled with addresses delivered and with editorials upon Canada and its resources. The same is true of Belgium. I am convinced that when the franc goes to a higher level in those two countries we will reap considerable benefit from the work that has been done; and I know of no other man without an official duty to perform, or who has not been charged with the administration of a Department, who can claim the credit of having accomplished as much for his country as the honourable gentleman from Montarville (Hon. Mr. Beaubien) accomplished during the space of time which he devoted to this work. In the debate on the Address I took occasion to thank him for what he had done. I do so again most heartily, in the name of the Government; and if my voice can be made to reach across the Atlantic, I desire again to thank the French Government and the representatives of all public bodies in France for the handsome and generous way in which they received our exhibition train and our delegation.

PRIVATE BILLS

THIRD READING

Bill Z3, an Act to Incorporate the Joliette and Northern Railway Company.—Hon. Mr. Blain.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT

The Senate proceeded to consider the following Resolution from the House of Commons:

That it be resolved by the House of Commons:

That it is expedient that section ninety-one of the British North America Act, 1867, be amended by adding thereto the following subsection in lieu of that set forth in the Address of the Senate and House of Commons to His Majesty the King, adopted by the House and Senate, respectively, on the 24th and the 26th June, 1920:—

"2. An enactment of the Parliament of Canada, if expressed to operate extra-territorially, shall have and be deemed to have had, that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada."

And that His Majesty's Government be respectfully requested to promote the necessary legislation for the sanctioning of the said enactment.

Hon. Mr. DANDURAND: Honourable gentlemen, this resolution deals with a matter which has already been taken up by the Canadian Parliament in a somewhat different form. In 1920 Parliament unanimously adopted a resolution, which was the basis of an Address to the Imperial Parliament, asking for an amendment to the British North America Act to provide as follows:

Any enactment of the Parliament of Canada otherwise intra vires shall operate and be deemed to have operated extra-territorially according to its intention in the like manner and to the same extent as if enacted by the Parliament of the United Kingdom.

This Address was reviewed by the law officers of the Crown in London, and met with their criticism. I am not in a position to state the exact form which that criticism took; but apparently it was felt that the amendment was too wide, and might go much beyond what we intended.. I surmise that it was the comparison with the powers of the Imperial Parliament that frightened some of the law

officers of the Crown, who, without being able expressly to indicate to what extent it would do so, perhaps thought the power asked for would invade the rights of the British Parliament and those of the other Dominions. That was the explanation given by the Minister of Justice. It does not satisfy me, nor did it satisfy him. As I have said, I have not read the correspondence, and cannot find exactly what grounds there were for the fears of the law officers of the Crown in London. It may be that in the Departments at the metropolis there are some officials who still retain old and reactionary ideas. Be that as it may, we are now proceeding to frame an amendment in a form which meets with their approbation.

The language of the proposed amendment will make it clear that our legislation will have extra-territorial effect in matters under our own jurisdiction. The Dominian Government believes that it has that power, and other Dominions also claim to have it. On the other hand, certain judgments seem to leave the matter in doubt, and in order to dissipate that doubt this proposal is made.

In order to indicate the necessity of our laws carrying beyond our borders, I may mention bigamy. Judges have differed as to the punishment for one who has contracted a bigamous marriage in a foreign land, the offence having been committed outside of our territory. Our Criminal Code goes no further than to say that one may be convicted who leaves Canada with the intent of contracting a bigamous marriage outside of this country, inasmuch as the offence was committed in our territory before he left, by his intent to violate Canadian law. It is also important that our aviators, who are under Canadian license, should be obliged to obey our laws and regulations while temporarily outside of our territory. Likewise, in respect of our customs laws and regulations, Canadians should not be able with impunity to conspire outside of our borders to defraud the Customs. Of course, we can not follow them beyond the borders of our own territory; but we claim that when they re-enter they should be amenable to our laws, although part of the offence may have been committed beyond our borders. Again, in the protection of our fisheries, we must make sure that we can reach those who violate our laws when outside our territorial limits. There are very many other examples which I could give, many of which were submitted to Parliament in 1920.

I therefore move:

Resolved, That the Senate doth unite and approve of the resolution as passed by the House of Commons on Monday, June 30, 1924.

That it is expedient that section 91 of the British North America Act, 1867, be amended by adding thereto the following subsection in lieu of that set forth in the Address of the Senate and House of Commons to His Majesty the King, adopted by the House of Commons and the Senate respectively, on the 24th and 26th June, 1920:—

"2. An enactment of the Parliament of Canada, if expressed to operate extra territorially, shall have and be deemed to have had, that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada."

And that His Majesty's Government be respectfully requested to promote the necessary legislation for the sanction of the said enactment.

And that a message be sent to the House by one of the clerks at the Table to acquaint that House that the Senate hath filled in the blank space in the said resolution with the words "Senate and".

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I must confess that I should have given this matter more consideration had I expected that my honourable friend would enter upon the explanation which he has given. Suffice it to say that, in view of our much vaunted status in the Empire, and the statements made as to our possessing all the sovereign rights of a state, it seems to me unusual, to say the least, that we should ask the Imperial Parliament to grant to us the very limited rights which are set forth in this resolution.

I am not prepared to say that the exercise of extra-territorial rights "ancillary to the peace, order and good government of Canada," would be sufficient for any sovereign state in maintaining its national status. Furthermore, I am disappointed that Canada's claim in this regard should be the subject of criticism by any of the officers of state of the British Government.

In my judgment, if it is necessary for Canada to seek an amendment, as I presume it is under the British North America Act, she should seek the broadest possible amendment—which would be an entirely different proceeding from asking for the amendment now proposed. Canada should not only ask but demand all the rights that belong to any sovereign state in the exercise of extra-territorial jurisdiction, and they should not be limited by any restricted terms whatsoever. I am not prepared to say that the restricted language embodied in the proposed amendment will be sufficient to accomplish what we are seeking, and I must say that in my judgment it does not concede to us any greater powers than the language of the proposed amendment of 1920.

May I ask my honourable friend why, the matter having being discussed by the law officers of the Crown in Great Britain, and the amendment sought in 1920 having been practically withdrawn, we should consent to any

limitation of the exercise of extra-territorial authority? Why should we not say that Canada is entitled to all the extra-territorial jurisdiction or authority that would be given to any sovereign state? In my judgment the proposed enactment subordinates Canada to Imperial authority, and subjects Canada to criticism at any time by the law officers of the Crown in Great Britain.

Hon. Mr. CASGRAIN: What do you expect?

Hon. Sir JAMES LOUGHEED: I venture to suggest that we should ask for the widest possible powers that any sovereign state could demand.

Hon. Mr. DANDURAND: I may say that I share the view of the Minister of Justice when he states that he cannot understand the exception taken to the enactment of the Canadian Parliament in 1920. The Canadian Parliament did not ask for more legislative powers than it already had. Here are the words:

> Any enactment of the Parliament of Canada otherwise intra vires shall operate and be deemed to have operated extra-territorially according to its intention, in the like manner and to the same extent as if enacted by the Parliament of the United Kingdom.

It seems to me quite apparent that the extra-territorial rights which we claimed by that resolution could attach only to legislation which was clearly within the jurisdiction of Canada.

Hon. Sir JAMES LOUGHEED: In answer to that, may I say, it is quite clear that no state can exercise extra-territorial jurisdiction except as recognized by international law. Why should we submit ourselves to any limitation such as we find mentioned here? The British Parliament cannot give us a greater jurisdiction than what would be exercisable by any state by reason of its sovereign rights. Hence I fail to appreciate the restricted language employed.

Hon. Mr. CASGRAIN: Honourable gentlemen, this question has come up quite often. We are still a colony; there is no use in denying it; and as a colony we must confine ourselves within our own boundaries. I am satisfied; I do not know about others. However, when the Act of Confederation was passed we were told, for instance: "Canada may have an army, but for use only within its borders, and not outside." It was not intended that we should march our army across the line and embroil England and the Empire in a war with the United States.

The situation is still the same. If we have any dealings outside of Canada we enter the international field, and I for one believe in the international field we are still undoubtedly under the British Parliament. It is time that we realize the situation. We may think that there have been some changes. A father may give his son a great deal of liberty, and the son may begin to think that he is the owner of the farm; but the old man still has the deed of the property and may decide otherwise, even in making his will. The moment we attempt to exercise any authority beyond the boundary of this country we enter the field of international affairs, and in that field it is the British Government that acts for us, through its ambassadors. If honourable gentlemen want to strike out for independence, that is another question. If they want to have it decided that we should transact our own business absolutely, without regard to the Mother Country, or to decide whether or not that is the desire of the people, the question is a debatable one; but we have not reached that state yet, so far as I know. We are still within the Empire, and as long as we are we must walk in the furrow that is traced for us as a colony. There is no getting away from that obligation. I know of no change in this respect, and what I am saying now I have been declaring ever since our late leader Sir Wilfrid Laurier proclaimed throughout the length and breadth of this country that Canada was a nation. How does a country become a nation? The word "nation" is a wrong expression in the first place. That was not what Sir Wilfrid Laurier meant to say: he meant an independent or sovereign state. There are only two ways of becoming a sovereign state: either separation by mutual agreement, or revolution and war. We have had examples. Of the fourteen colonies in North America, thirteen rebelled. The only one that did not rebel against the Mother Country was the one from which I come. It remained faithful. However, we are getting away from the subject.

At the present, when we desire extra-territorial rights we must ask the Imperial Parliament, and if it wishes in its kindness to grant us these rights, to answer our prayer, well and good. I do not believe we could exercise such powers without its approval. The best proof of this statement is the very petition that is now before us. Is not this a flat contradiction of all those who in the last few years have been declaring that Canada is a nation? Is not this the greatest vindication of what I have been stating in this House during the last twenty years?

For instance, two Canadian citizens who had crossed the international boundary line may have engaged in a quarrel, or perhaps a drunken brawl, and one may have killed the other. When the murderer came back to Canada he could say: "Oh, no, you cannot try me: I crossed the line to kill my companion." Now we are asking for jurisdiction in a case of that kind. For my part I am quite willing to vote for the resolution, because I believe it is the only method of getting the power we want. So long as we are a colony we must ask for such power from those who can give it.

Hon. W. B. ROSS: Honourable gentlemen, I rather share the views of the honourable gentleman about Canada being a nation. I never could see that Canada was a nation, unless the word "nation" has at least two meanings, and perhaps three or four. She has lacked always—and until you cut the painter she necessarily will lack—the fundamental power that constitutes a nation: the power of a country that has no need to appeal to any other country—

Hon. Mr. CASGRAIN: That is a sovereign state.

Hon. Mr. ROSS: —or, more correctly, a country with a government that is not answerable to any other.

Hon. Mr. CASGRAIN: A state.

Hon. Mr. ROSS: But, just so long as we are answerable to, or under, the Imperial Parliament, so long are we a colony.

But, although that is the situation as it seems to me, it is not at all out of place to have legislation of some kind passed in order to enable Canada to deal with her own citizens. For instance, a man living in England goes to one of the States of the American Union and gets a divorce from his English wife. After he has been there a year he marries again and comes back to England. In England, by virtue of the criminal law, as he is a British subject, no matter where he may have been, he is prosecuted for bigamy. We have had trouble in Canada in that respect. The contention was set up that the jurisdiction of the Canadian Parliament ended at the three-mile limit, or at the 49th parallel, and when a man got beyond that he was beyond the reach of Canadian law. That is very inconvenient, and in my opinion it is very wrong. What we want is that Canada shall have conferred on her by the Imperial Parliament the right to make laws that have force not only in Canada, but all over the world, just as English laws are good all over the world.

Hon. Mr. CASGRAIN: For England.

Hon. Mr. ROSS: Take an illustration similar to that which I gave before. We should have the right to pass a law declaring that a Canadian who goes through a form of marriage a second time without getting a legal divorce is guilty of bigamy. We should have the right to say by that law that if a man goes through such a form of marriage, even outside of Canada, he is guilty of an offence, and, if he comes back to this country, is punishable.

My contention is, I think, substantially the same as that of the honourable leader of the Opposition, namely, that the Dominion ought to have practically the same extra-territorial jurisdiction as the Imperial Parliament has. There is no danger of our coming into conflict with the Imperial Parliament, because we could legislate only for our own citizens. When they leave Canada and become domiciled in other countries they are clear of us. I cannot conceive how we might come into conflict either with any of the other Dominions or with the Imperial Government.

The proposed amendment may mean something, but to me it is not clear, and I think it is simply going to provoke a great deal of legislation. I think that the Officers of the Crown could get something more clear-cut and definite than this:

> An enactment of the Parliament of Canada, if expressed to operate extra-territorially...

Why should we express it to operate extra-territorially? Why should not our law, if passed for Canadians, be effective, not only with regard to Canadians within our territory, but wherever a Canadian may go?

> If expressed to operate extra-territorially, shall have and be deemed to have had that operation, if and in so far as it is a law for—

Hon. Sir JAMES LOUGHEED: Stop at "for" and strike out all the words, "for or ancillary to the peace, order and good government"; so that it will read: "in so far as it is a law of Canada."

Hon. Mr. ROSS: Yes.

Hon. Sir JAMES LOUGHEED: Is there any reason why we should not strike out the words, "for or ancillary to the peace, order and good government"?

Hon. Mr. ROSS: Then you have something clear-cut, something about which, I think, there can be no argument at all. But this is simply inviting trouble, so far as I can see.

Hon. Mr. DANIEL: What does "ancillary" mean?

Hon. Sir JAMES LOUGHEED: Arising out of, or pertaining to.

Hon. Mr. BEAUBIEN: Incidental.

Hon. Mr. BEIQUE: I must confess I am very much inclined to agree with the opinion expressed by the honourable leader of the Opposition (Hon. Sir James Lougheed) and the honourable member for Middleton (Hon. W. B. Ross), I am afraid that the wording will defeat the object; that when an act has been committed by a Canadian, but outside of Canada, it may be regarded as not interfering with the peace of Canada, and the culprit may not be reached.

Hon. Sir JAMES LOUGHEED: "The peace, order and good government" constitute only one of the many classes of subjects of jurisdiction given to us.

Hon. Mr. BEIQUE: Yes, and the provision is restricted to the expression, "peace, order and good government." I am inclined to think that it should not be so restricted, but should be general. Even in this restricted form I think the wording will defeat the object which is sought by the proposed amendment.

I would like to add a word on the status of Canada. I do not share the views of the honourable member from De Lanaudière (Hon. Mr. Casgrain). It must be borne in mind that under the British system a statute that has had full force and effect for centuries may become obsolete, by interpretation, by disuse, or for other reasons. There is no doubt that when the British North America Act was passed the Canadian Constitution was to be found within the four corners of that Act, and we were a colony in the full sense implied by the passing of that Act. But since that time a broad interpretation has been given to the British North America Act, which has become very much extended in its operation, and I trust that we shall continue, with the consent of the British Government, extending the operation of that Constitution.

The honourable member from De Lanaudière said that we must decide whether we are a colony or whether we cease to be a colony. I do not agree with him. We can remain within the British Empire and enjoy equal rights with the mother country. We can remain under the same King, but be governed by the King on the advice of his Canadian Ministers, whereas Great Britain is governed by the King as advised by the British Ministers. Sir Wilfrid Laurier often spoke of the galaxy of nations within the Empire. I think it was a very fine and appropriate expression, and it should be our desire and aim to become a nation in the full sense of the word.

Hon. Mr. CASGRAIN: Yes, but what if there is a conflict? What if we do not all agree?

Hon. Mr. DANDURAND: Honourable gentlemen, with the leave of the Senate I would like to say a few words. My honourable friend from De Lanaudiere (Hon. Mr. Casgrain) enjoys this situation of a humble, a very humble colonial. He believes that there is no evolution in the Empire, and that the constitution of 1867 must be strictly adhered to, more especially in those features that would seem to maintain his soul in that free, happy state of subserviency. He has not noticed that at official meetings the representatives of the British Government have agreed to a certain status to the Dominions beyond the seas, which has been recognized by the Imperial authorities.

Hon. Mr. CASGRAIN: Not in writing.

Hon. Mr. DANDURAND: In writing. In Paris they recognized at the Peace Treaty that the Dominions could act as a separate entity, and appear at an international meeting, and there act independently for themselves. That situation was recognized in the drafting of the Covenant of the League of Nations. There, again, the Dominions have their own representation, and when sitting there they can give thier vote on a question contrary to the views of another Dominion or of the mother country. This indicates that in the international field, and in that most important gathering of the League of Nations, which we all hope will gradually play an important part in the settlement of international differences throughout the world, Canada has an international status.

At the last Imperial Conference a resolution was drafted declaring that any member of the Empire can proceed to negotiate a treaty with a foreign country. The only limitation to that power is that if it appears at the outset of the negotiations, or while they are proceeding, that some other member of the British Empire is equally interested, that member should be notified—a provision which is quite natural and equitable.

My honourable friend says, "But where do you see that the British North America Act has been amended?" I answer that the Right Honourable Sir Robert Borden claims that all those powers which to-day are appearing as belonging to the Dominions beyond the Seas are to be found in the organization of the Dominions in their magna charta; that the life given to them was the life represented by the British Parliament, and that the crea-

tion of the British Parliament imparted to those Dominions the rights contained in the unwritten constitution of the British Empire. So that at the outset I tell him that there are those who claim that we are merely affirming the right that is to be found within the four corners of the British North America Act.

But I will go one step further and say that the British Parliament has recognized that the powers which are contained in the British North America Act, and in other similar Acts, can be exercised, and by evolution—mainly by practice—can be widened to those which are fully possessed by the Mother Parliament. I refer my honourable friend to the recognition of this principle in the Act which created the Irish Free State. That Act states that the Irish Free State shall have all the powers inhering in the Dominion of Canada by virtue of its charter of 1867, as interpreted by practice and by precedents. So that in the Irish Free State Act, which is patterned upon the British North America Act, and which defines the extent of its powers as those possessed and exercised by Canada, we have a recognition by the British Parliament of the fact that it is not solely within the four corners of the B.N.A. Act, or the cold written expressions therein contained, that the powers of the Dominions beyond the Seas, and more especially of Canada, are to be found. The powers which the Irish Free State will enjoy are those to be found in the Canadian constitution as interpreted and developed by tradition. I do not remember the exact expressions, but they practically recognize the affirmation of the Right Honourable Sir Robert Borden, that all the powers of the British Parliament are practically in the British North America Act in esse.

I do not intend to ask the Senate to adopt this resolution at present. My honourable friend opposite (Hon. Sir James Lougheed), who was Minister of the Crown in 1920, when the resolution was passed, has a right to see the comments that were made by the law officers of the Crown in England; and I intend to move the adjournment of this debate so that he and I may look into that correspondence, and see if we should not, as the Senate of Canada, declare that we still adhere to the resolution of 1920. I therefore move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned until to-morrow.

COMPANIES BILL

CONSIDERATION OF AMENDMENTS POSTPONED

On the Order:

Consideration of the Amendments made by the Standing Committee on Banking and Commerce to Bill 118, an Act to amend The Companies Act.—Hon. Mr. Willoughby.

Hon. Sir JAMES LOUGHEED: I should like this to stand, for the reason that the attention of some of the legal profession, particularly in Toronto, has been directed to some of the amendments touching the law as to mining shares, and it has been pointed out that compliance therewith involves a great deal of unnecessary expense. I am communicating with some of the parties who directed my attention to the matter; hence I should like the Bill to stand. Possibly we could hear those parties before the Committee. It may be necessary to re-commit the Bill to the Committee.

Hon. Mr. DANDURAND: Yes, or perhaps, if it is by correspondence, the Deputy Minister who drafted these amendments could possibly be heard.

Hon. Sir JAMES LOUGHEED: The attention of the Deputy Minister has been directed to this matter, but when the Bill was before the Senate last year an amendment was made as against the draft of Mr. Mulvey, who had charge of the Bill as representing the Government. It was by the judgment of the Senate that the clause was inserted in the Bill, and he naturally has some hesitation in giving any expression of his opinion, or recommending that it be stricken out.

Hon. Mr. DANDURAND: It was the Senate's action.

Hon. Sir JAMES LOUGHEED: Yes. He is satisfied that it should remain there, but it is not his amendment. However, it may merit the further attention of the Committee, and this may not in any way jeopardize the passing of the Bill during the present Session.

Hon. Mr. DANDURAND: It may go over until to-morrow, and we may come to the conclusion to send it back to Committee.

The Order stands.

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

THE SENATE

Wednesday, July 9, 1924.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST, SECOND AND THIRD READINGS

Bill U6, an Act for the relief of Florence Ethel Armstrong.—Hon. Mr. Pope.

KAMLOOPS-KELOWNA BRANCH LINE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 33, an Act respecting the Construction of a Canadian National Railway Line, Kamloops-Kelowna Division, Province of British Columbia, as amended.

He said: Honourable gentlemen, this is one of the last two of the Railway Branch Line Bills that have been before the Senate and the Railway Committee for the past six weeks. This proposal has received perhaps more attention than any other Bill that has come before the Railway Committee. I know full well that there is either a rule or a tradition that we may not refer to what has taken place in the Committee, but as the work of the Committee of the Whole was transferred to the Railway Committee, it is only right to refer to what has taken place.

I have said that this Bill was examined as closely as any of the other twenty-six, if not more closely. When the majority of the Bills were reported to the House my honourable friend who leads the other side gave notice that he would move to amend all the Bills by adding the following clause:

> Provided that the amount so to be guaranteed shall first be included in the Estimates and voted by Parliament for that purpose.

This was to apply to all Bills, according to his expressed intention at that moment. I objected for many reasons to the insertion of this proviso. I urged that at all events a distinction should be made between the one-year and the three-year programme. My honourable friend apparently accepted this view, for at the next meeting of the Senate he allowed twelve Bills to pass, which provided for expenditures not much beyond the first year's programme, although there were a few covering a two-year programme.

When the other Bills came before this House on July 3rd, the honourable gentleman abandoned his notice of amendment and agreed to the passing of four Bills covering work during three years—the Rosedale, the Hanna-Warden, the Loverna, and the Dunblane-Mawer Bills. These proposals covered work for a period of more than one year, some of them for a three-year programme. Without my honourable friend moving the amendment of which he had given notice, these Bills were passed, and they are now on their way to the other House.

But apparently my honourable friend decided upon another policy, for he moved for the rejection of the Turtleford-Hafford Bill, the Lloydminster Bill, and the Radville-Bengough Bill. I should have had no complaint to make against that procedure if the merits of the Bills thus halted had been properly discussed before this Chamber. My honourable friend, when moving the postponement of the Turtleford-Hafford Bill till next year, stated that the Branch Line programme was already a heavy one and that some of the Bills, representing large expenditures, could well afford to wait. To that view I could take no particular exception, except as to the needs of the country to be served, and I so stated. But when the other Bills came up, I found that my honourable friend was in a different mood. Not only did he suggest that these expenditures could be delayed and these Branch Lines postponed till next year, but he went out of his way to complain that they indicated considerable extravagance on the part of the Canadian National Railways and showed a gross indifference to the public interest. He even accused the Canadian National Railways of an orgy of expenditure and extravagance, in presenting these Bills to us. Against that language I protested with some heat the second time I rose; and I still claim that that particular reason, given by my honourable friend and by some of his colleagues who followed in the argument, was unfair to the Canadian National Railway officials. My honourable friend, in the course of his remarks, made this statement, and it was against this that I registered my protest:

> If the Government of Canada rose equal to the situation; if it appreciated the responsibility resting upon it to-day; if it showed any disposition to revise the taxation which is breaking the backs of the people of Canada; if it showed any disposition to restrain the administration of the railways in its orgy of extravagance, I for one would feel disposed to say to the Government of Canada: "We give you a free hand in exercising your best discretion in meeting public needs so far as railway expansion is concerned." But there is no disposition on the part of the Government of Canada to exercise restraint upon the expenditures of this road.
>
> Last Session the Government brought down a Bill to expend practically the same amount as is now asked for, in building 26 or 27 branch lines, without information, and without indicating the merits of the different lines, thus showing that no adequate consideration had been given to the subject. They were willing to hand over to the National Railways the whole problem, and to vote some $30,000,000 or $40,000,000 irrespective of proper restraint or sufficient inquiry being made into the subject. This Session the Government brought down 26 Bills. Was there any disposition on the part of the Government in the House of Commons to limit that expenditure? Not the slightest. The Bills came down to us in the Senate just the same as they were introduced in the House of Commons.

Now, I claim this was a useless and unfair criticism.

Hon. Sir JAMES LOUGHEED: I do not wish to interrupt my honourable friend in

what appears to be very gratifying to him, namely, reviewing the position that I myself as well as the House have taken. I am always loath to stop my honourable friend when he is entering upon one of his oratorical triumphs, so to speak. But may I ask under what parliamentary practice my honourable friend is reviewing what has already been done? It is quite clear that the action of the House cannot be reviewed at this point. I must say to my honourable friend that I was delighted to hear him reading the remarks which I made on the occasion referred to, because they seemed to me to be even more pointed than before.

Hon. Mr. DANDURAND: I am happy to find that I have not ruffled my honourable friend's feelings. If I had intended to stop there, the objection which the honourable gentleman takes would be well taken, but my remarks are leading up to a motion for the third reading of this Bill, to which they apply as much as to any of the others, because the Kamloops Bill came before us last year. I want to give it its proper setting, and, in order to appeal to my honourable friend's sense of fair play and justice, I want to remind him that in 1920 he sat where I do, and filled the position to our unanimous satisfaction. I only wish I could follow even afar in his footsteps.

Hon. Sir JAMES LOUGHEED: You are doing it all right.

Right Hon. Sir GEORGE E. FOSTER: What is all this coming to?

Hon. Mr. DANDURAND: In 1920 I heard the honourable gentleman ask the Senate to vote a large sum of money in a block for the development and needs of the Canadian National railways. Had inquiry been made, the intention of the Canadian National railways as to the expenditure could have been ascertained. In either the other Chamber or in this questions could have been put as to the intention of the Canadian National railways concerning that large proposed expenditure of some $50,000,000 or $75,000,000. Was the question put? Was the explanation given? I do not know. But how was the sum spent in 1920-21? After it was voted in a lump sum, a resolution was passed by the Canadian National Railway Board embodying a certain programme of expenditure for branch lines throughout the country. That resolution was sent to the Minister of Railways; the Minister of Railways approved of the programme, brought it to Council, and a sub-committee of Council ratified the approval of the Minister of Railways; and the Canadian National railways then proceeded with the programme. In the execution of that programme, under the conditions I have mentioned, over $5,000,000 was spent in the Kamloops-Okanagan district. That sum was spent without any examination, without supervision or criticism, and the Parliament of Canada was, I am quite sure, unaware that such an expenditure was being entered upon.

That was the procedure of 1920-21. There are sitting in this Chamber some members of the Cabinet who ratified the programme of expenditure suggested by the Canadian National railways. That programme was not under review by Parliament; we had no occasion, either in the Committee of the Whole or in the Railway Committee, to put on our spectacles and examine into the opportuneness or the necessity of that expenditure. Yet my honourable friend protests against the loose way in which the present Administration is proceeding. Proceeding to do what? Proceeding to carry on to completion the programme of 1920-21, which was started under the administration of which he was a member.

I say this is unfair, and contrast the procedure adopted in 1921 with that adopted this year. What have we got for comparison? In 1920 we had a lump-sum vote to be expended by the Railway Board under the supervision of the Governor in Council; to-day twenty-six Bills are brought forward showing the extent of the work to be done, the time to be taken, and the reasons for the appropriation. These Bills went before both Houses, and they were for a month or six weeks in the Railway Committee of the Senate. There we had the officials of the Canadian National railways; there we had evidence; and, in the sovereigntly of our jurisdiction, we decided to report only those Bills for which we were satisfied that a case had been made out. Honourable gentlemen must remember that the situation to-day is far different from that of 1920-21. They must remember, when dealing with the present Bill, that already $5,000,000 or $5,500,000 have been spent. We have not a free hand: we are not so free as we were in 1920-21 to decide whether or not we should build a branch from Kamloops to Armstrong, and on to Kelowna and Kimberley. We are confronted by the policy of the Administration which held sway in 1920-21. That does not mean, honourable gentlemen, that we must to-day agree to throw good money after bad; but I suggest that we should pause before deciding that in 1920-21 we threw away $5,500,000. I wonder whether there will be found in this Chamber a majority who will declare that the policy of 1920-21 represented

an orgy of extravagance? I recall to my honourable friend the remarks which he has made, and ask him if they do not apply to the expenditure of 1920-21? I will not pass judgment upon that policy, because I have found that in many instances it was a good one. When I entered the Railway Committee I was somewhat prejudiced against it, but as each branch line was examined by the Committee, I gradually found out the reasons why it should be built, and a large majority, in some cases a unanimity, of the Committee favoured the continuation or the completion of the work.

Since the Cabinet of 1920-21—which was adorned by the presence of my honourable friend and so many of his colleagues who surround him to-day—decided, after mature consideration, that these branches should be undertaken and the grading done, I wonder why my honourable friend, after we have had before us the officials and engineers who advised the building of these branches—an opportunity which we did not have in 1920-21—and after we find that there is to-day, as there was yesterday, merit in those branches, should go out of his way to assail the reputations of those gentlemen by saying that they seem to show a considerable indifference to the public weal. Is there not a joint responsibility resting upon those who accepted their programme in 1920-21 and set it in motion? Here we have in the Okanagan district an expenditure of $5,500,000, made in part by the present Administration and in part by the Administration of my honourable friend.

When this Branch Line Bill was before the Railway Committee, we asked ourselves if there was enough business in that section of British Columbia for two railways; and of course, recognizing that we were somewhat handicapped in deciding that question by the fact that $5,500,000 had already been spent on that programme, we practically came to the conclusion that if there was a possibility of the two railways coming together, after examining into the efficiency of the service in that district, at a minimum cost to the country, it would perhaps be to the advantage of Canada. The Railway Committee therefore asked the Secretary of the Committee to write to that effect to the railway, and I was glad to find that the Canadian National railways took the lead in that direction—because we know that it is always somewhat difficult to take the first step. Sir Henry Thornton wrote to Mr. Beatty, of the Canadian Pacific railway, telling him that he was desirous of examining into the situation with him, and making a certain proposition. On Wednesday of last week, if I am not mistaken, when we met, we had the answers of the two railways. The Canadian National railways was maintaining its offer to Mr. Beatty, and Mr. Beatty was asking for two or three months to enable the engineers of his company to examine into the situation and to decide upon the course to be followed. When the representatives of the Canadian Pacific railway and the Canadian National railways gave me their answers, I then had to decide as to the next step, and I confess that I was inclined to give enabling powers to the Canadian National railways, in order that, when they met the Canadian Pacific railway, they could do so on an equal footing. I felt that if we did not give enabling powers to the Canadian National railways, we would handicap our own railway system when it entered into a conference. That was my inclination when I re-entered the Committee, and it was reinforced by the statement of one of the engineers of the Canadian National railways who knows that territory thoroughly, and who took the responsibility of telling us that if a satisfactory arrangement could not be reached between the companies, he could assure the Committee and Parliament that it would not be long before the Canadian National railways would salvage the $5,500,000 already spent, and make sufficient money to pay the interest on the bonds for the money already spent, as well as for the new expenditure. We heard some of their evidence, which informed us that there would be freight on the upper line running from Kamloops to Armstrong. All that took place in the Committee at that last meeting, which was the third or fourth meeting we had on this Bill, only strengthened my conviction that we should leave the Canadian National Railways with a free hand to settle that question with its great rival the Canadian Pacific Railway.

I confess I am not in a position to-day to give advice to the Canadian National Railways as to what is best in regard to their withdrawal from the Okanagan district. Evidence which was given in favour of retaining that branch and continuing the work has somewhat obscured my own judgment, and left me wondering if it would not be a good proposition for the National Railways to retain that territory. But at this moment I am not asked to give that judgment; I am simply bound to move the third reading of this Bill, feeling that it is in the best interest of the Canadian National Railways that they should have enabling powers.

The three Bills which were rejected—the Turtleford, the Lloydminster, and the Rad-

ville—were not thrown out because they were unnecessary; the honourable gentleman who faces me in this Chamber (Hon. Sir James Lougheed) only asked that those works be postponed for one year, because the work that was to be carried on in the numerous branches that were approved would suffice for the present. Under these circumstances I do not feel that the Senate should boast of having saved the treasury untold millions; neither do I feel that the Senate needs to look for cheap praise from the outside world. We should be content with doing our work conscientiously. I have noticed telegrams in the press proclaiming us as the saviours of the country's treasury. I even saw telegrams, which seemed to come from the same source, and to reach quite a number of newspapers, stating that the Senate has saved $12,339,000 to the country. I say that is not true. More than $8,000,000 of that sum represented expenditure postponed under the motions made to suspend the building of those roads. In that sum I include the Lake St. John branch, which was postponed at the request of Senators who know that district, and the report which was made to this House shows that $1,000,000 of expenditure there was simply suspended till next year in order to allow the Canadian National Railways to bring forth a programme which will satisfy that district. So that on those three railways which I mention there is a saving of less than $7,000,000. According to the honourable gentleman who moved to suspend those works, there is only a desire to postpone the building of those roads for twelve months. I thought that I owed the Senate a clear statement of the circumstances under which these works were started in 1920-21, and the reasons why the Canadian National Railways asked us to complete them.

Reverting now to the criticism of the Canadian National Railway officials, which I believe to be unjust, I ask, how is it that their statements should be challenged, on those three railways, the work on which has been suspended for a year, when the Senate has accepted their judgment in 17 or 18 cases by passing the other Bills that have been reported to the Commons? Those Bills were accepted upon the cases made out by those officials, and I believe that state ownership will have a very poor chance indeed to succeed in this country if the officials of the Canadian National Railways, every time they submit to Parliament their proposals are met with such contumacy.

I feel that the rejected Bill could have been rejected on the plea of the extensive programme. That was one of the reasons which my honourable friend who faces me gave why they should be postponed; but I do not admit that the Canadian National officials were remiss in their duty. That would imply that the Cabinet that preceded this one was remiss in its duty in allowing those works to go on. I take for granted that, when the officials came before us with their programme, and when the present Government submitted it to Parliament in detail, we were the masters of our own judgment, and there was no reason for the aspersions which were cast upon the railway officials. Besides, it seems to me that when those officials come before a Committee of this House, to be examined and cross-examined, that is the time to tell them what we feel about the weak spots in their administration or in their testimony, and not after they have left, when we meet within these four walls, and those officials are unable to answer.

With these few remarks I beg to move the third reading of this Bill.

Hon. Mr. LAIRD: May I ask the honourable gentleman a question, after he has concluded his long statement—whether it is his desire and the desire of the Government that this Bill should be passed, or not?

Hon. Mr. DANDURAND: I may say, honourable gentlemen, that when these Bills came from the other Chamber it was for the Senate to deal with them; and when we transferred them from this Chamber to the Railway Committee, I was ready to be influenced personally, just as other members, in the disposal of those Bills on their merits. I have just stated what I feel as to the Kamloops-Kelowna line, on which $5,500,000 have already been spent. Even if men who have pondered over this matter, and who have recognized the responsibility involved in their decision, felt that only one railway should serve that district, it is our duty to give these enabling powers to the Canadian National Railway, in order that they may be on an equal footing with the Canadian Pacific Railway when they enter into conference with them upon the proposal that was made to the Canadian Pacific by the Canadian National Railway President.

Hon. Mr. LAIRD: May I take it for granted, then, that the Government is not desirous that the Bill should be passed?

Hon. Mr. DANDURAND: I do not know whether my English is sufficient to convey my thought, but I recognize in the Senate of Canada full power to dispose of these Bills as it pleases.

Hon. Sir JAMES LOUGHEED: May I say to my honourable friend that he has spent the last half-hour in abusing the Senate for exercising its own discretion in these matters?

Hon. Mr. DANDURAND: No: I spent the last half-hour in stating that I objected to the reasons given for postponing these Bills, when their merits were left out of the discussion, and the officials of the Canadian National Railways were abused, and accused of great extravagance. It has gone out to the outside world that the Senate has stopped the Canadian National Railways in their orgy of extravagance; and that is why I protest against this campaign of denunciation. The railway is a state property, and I think it ill becomes the fathers of state-ownership in this country to assail the officials who are charged with the administration of that important property. We all know how the fortunes of Canada are wrapped up in the Canadian National Railway administration. I think we should give it a fair deal, and help it with our full sympathy. I say this because the Canadian National Railway officials were assailed when I thought they had made a good case, sufficiently good to have caused those Bills to be reported back to the Senate with the approval of the Railway Committee.

I know that my honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) will say, "Well, we reported those Bills, but we did not bind ourselves in their favour." I draw his attention to the fact that when the Committee felt that a case had not been made out, we decided not to report favourably upon the Bill. Those reports stopped the Bills in their course; but there was a different attitude taken when the Committee of the Whole said: "Enough: we are convinced; let us approve of the Bill," and the Bill was approved, and we passed on to another one. My honourable friend takes advantage of a member of this Chamber occasionally saying, "On division." Anyone had the right to say that; but in each case there was a pronounced majority. If my honourable friend from Regina (Hon. Mr. Laird) has still some doubt as to where I stand with regard to the disposal of the Bill, he will have none when I say that I move the third reading.

Hon. Mr. LAIRD: But the honourable gentleman has not answered my question yet.

Hon. W. B. ROSS: Honourable gentlemen, I have a very few words to say about this Bill, prefatory to a motion which I propose to make. When I came to consider throughly these Bills in Committee I tried to lay down some principle for myself in dealing with them, to see that as far as possible I did the fair thing by all these roads, and of course by the country at the same time.

I made up my mind to this, that where a district in any province of Canada had water transportation, or had one railway, that district would not be considered until we had dealt with the districts in the different provinces that have neither water nor railway communication. All the way through I have acted on that principle. We had in Nova Scotia the case of the Guysborough road, where there is water communication, which settled the matter for me. When we came to deal with sections of the prairie, in connection with one or two roads, particularly the Radville road, in a district with a large number of settlers, the Committee was mystified with regard to the location of the railway, and that was put over until next year. Perhaps the people concerned brought this postponement on themselves by their disagreement as to the location of the line.

When we came to this Kelowna branch, we found that there was one railway there; so I made up my mind that until such districts as the Radville and some others in northern Saskatchewan and in Alberta were provided with railways, I would not be a party to voting money to build a second railway into the Okanagan Valley. For that reason I could not support this Kamloops-Kelowna branch.

The honourable leader of the Government has discussed, on the whole very fairly and accurately, what took place in the Committee. We know from Mr. Ruel that negotiations were commenced between the National Railways and the Canadian Pacific Railway, and that there was more than a fighting chance of the two companies coming to an understanding. The President of the Canadian Pacific road naturally wanted some time to look into the matter—he would not be a good business man if he did not; and when the Committee broke up on the last day, when this Bill was considered, I think it fair to say that Mr. Ruel expressed himself hopeful of an arrangement being made, and he thought that this matter might very well stand for another year.

Now, I do not want to kill this Bill for good and all, but I do want that the resources of civilization should be exhausted in bringing the two railways together to have one road into this valley that would be successful—that would pay its way, instead of having two railways there, neither one of them paying its way. I heard in Committee

this morning a very wise remark from an honourable member—that no matter who is operating these enterprises, whether a private company or the Government, in the end the cost comes out of the people. If two railways are put into that Okanagan Valley, and pay their way, the pay will come out of the people in that valley. I am perfectly satisfied in saying that it is very much better for the people in that valley to have one successful road, with the Railway Commission keeping check and guard on it, than to put two roads in there. If during the next twelve months it is found impossible to get the two railway companies together, we will have to consider anew next year what we will do with that road.

As it is a warm day, and I am sure honourable gentlemen are not anxious to be harangued on the railway situation, I will cut short my remarks, just alluding to the reference the honourable leader on the other side made to what happened in 1920 or 1921. I am not at all interested in chasing those ghosts of the past. If something wrong was done in 1920 and 1921, such mistakes do not justify him in doing something wrong in 1924.

Hon. Mr. DANDURAND: I recognize that.

Hon. Mr. ROSS: We have a practical question before us: how are we going to deal with this transportation problem? How are we to give transportation to the people who have none, and at the same time do that at a minimum cost to the country? It must be remembered that this country is not by any means too flush of money, and I think it is the bounden duty of this House not only to stop all the expenditure that it can, but to cut off the chances of Government officials spending money without our knowing that it is absolutely necessary that it should be spent.

With these remarks, honourable gentlemen, I make the motion that I rose to move:

That this Bill be not now read a third time, but that it be read this day three months hence.

As I said before, I make the motion not with the object of killing this Bill, but in order to give a chance to the two railway companies during the next few months to negotiate. If the negotiations fail, we can take the matter up again twelve months from now.

Hon. R. F. GREEN: Honourable gentlemen, I have listened very patiently to what has been said in this Chamber on this particular Bill. I am surprised at some of the remarks of the last speaker. He tells the members of this House that there is one railroad there already. That is only a partial statement of the fact. There is a railway that provides transportation for practically the two ends of the valley that this particular railway is intended to serve. There is a very large and very fertile district in the middle, which requires transportation. It is all very well to say that we should not throw good money after bad, to blame the Government for having already expended something over $5,000,000 there, to repeat in this Chamber what Mr. Ruel has said; but if the honourable gentleman wanted to be perfectly fair he would also have repeated the statement of Mr. McLeod. Mr. McLeod said that they were now losing interest on something over five millions, amounting, if I remember correctly, to about $340,000 a year, which they had to pay at the present time with absolutely no return. He made the statement that if they were allowed to complete that branch, spending another $2,000,000, they could not only pay interest upon this money, but they would have $314,000 to apply upon the interest that they are paying to-day, reducing to that extent the loss of $340,000.

The people in that section have their orchards planted and are ready to supply fruit throughout Canada and to export it, and they are looking for transportation. If this company is given the privileges that it now asks, it will be in a position to negotiate with the C.P.R. for running rights at both ends of the valley, or perhaps arrange for the C.P.R. to build the line. If you send the Canadian National to the C.P.R. to place these propositions before them, without giving the Canadian National what they are now asking for, they will have nothing to offer. The whole situation is crying out, and if we are going to assist the National Railways, and if we would demonstrate that the National Railways can be run as a public ownership proposition, then this is one of the lines that we should give them, because they say it will not only pay the interest on the money expended on it, but will also pay a large proportion of the interest on the money which has already been invested and is now returning nothing.

Furthermore, as we have been told, it is the only branch line that the Canadian National Railways have west of Edmonton, I think, from which they may look for revenue outside of their main line. Those of us who know the country through which the main line runs west of Edmonton, know that for many years to come it will have

little or no local traffic, or local revenue. If we give the Canadian National this proposed line, we are putting them in the position of immediately obtaining local traffic in and out, and I do hope that this Chamber will to-day see to it that the motion of my honourable friend for postponing this Bill for three months is voted down and that the Bill passes.

Hon. J. S. McLENNAN: Honourable gentlemen, I think anybody who has had even a birdseye view of the country to be traversed by this railroad cannot but feel that it is a country which, on account of its beauty, its fertility, its evidences, on every side, of good husbandry, and of appreciation of the amenities of life, ought to be assisted in every possible way. The reason why I object to the particular form that this Bill takes is that it seems to me an unworkmanlike way of dealing with the problem involved. You have first of all a proposed railway which is graded from Kamloops, a junction point, and leads up to the Canadian National route to the northeast—to Edmonton and that country—part of that going over the C.P.R. right of way; then from Armstrong down it runs over a certain number of miles of the Canadian Pacific; then, beyond that, twenty or thirty miles down to Kelowna, on the grade now established, on the Canadian National Railways.

A workmanlike and sensible way—if I may express my opinion in a railroad matter—would be for these two companies to get together. I do not mean that one would sell its right of way to the other, but the Canadian National might be empowered to build from Kamloops to Armstrong, and then what both have would be joined up—the C.P.R. contributing its road down to Vernon, and the other company its grade down to Kelowna. It would all be owned jointly and operated in common. That would reduce to a minimum the amount of money to be spent. It would give the people there the joint service, which they feel is so important; although, as the honourable senator from Middleton (Hon. W. B. Ross) has said, there are vast districts of the country which are without any railway connection and are not looking for the refinements or advantages of a competitive service. I would like to see this done, and if I support the honourable member from Middleton it will be because I do not feel that putting a weapon as it were, into the hands of the Canadian National Railways management would make an agreement on these matters any more probable. In case an agreement is not reached, there will be no reason why the Bill should not be brought down again when Parliament meets, early in the year, at a time when there will be no possibility of carrying on any railway work. The best possible effort should be, by means of a compromise, to minimize the expenditure and provide the maximum accommodation for the district. If negotiations fail, the present proposal can be carried out without any loss of time.

Hon. S. J. CROWE: Honourable gentlemen, I do not know that I have much to add to the discussion except to endorse what has been stated in favour of this Bill. I have received a telegram from the Vancouver Board of Trade, who have asked me to present its contents to this honourable body. I endorse every word of the telegram, and with your permission I will read it:

> Regarding Canadian National Railway Kamloops to Kelowna, Council this Board at special meeting held to-day received strong representation from Okanagan interests in support of completion of this railway. Council passed unanimous resolution that in view of heavy expenditure of over five million dollars in work already completed, and at cost of completion of line amounting to two million dollars would immediately create economic asset of undertaking due to fact railway tap country at present not being served. Council unanimously decided to adopt the recommendations made by Sir Henry Thornton in favour of this extension of national line. Have forwarded similar expression of endorsement to—

other members.

I wish to state also that this line will be, in my estimation, a great feeder for the Canadian National System. My honourable colleague (Hon. Mr. Green) has spoken to this effect. I feel that the Senate should endorse the proposals if only for that one reason. If the Canadian National is going to be made a success—and we all hope it will be—this line should be built. Some honourable members have spoken about another line, the C.P.R., being there. Granted; but the C.P.R. is serving only part of the territory. The great fruit lands are away from the lake, and all the fruit growers there have to haul to one end of the valley or the other. If the proposed line is built it will run right through the great fruit lands of the Okanagan country. I earnestly request honourable members of the Senate to support the passing of this Bill.

Hon. G. H. BRADBURY: Honourable gentlemen, I have voted against some of the branch lines in this House simply because I felt that they were not at the present time necessary. In doing that, I was largely influenced by the attitude taken before the Committee by the Railway officials them-

selves. I want to say this, with reference to the gentlemen who appeared before that Committee as representatives of the National Railways, that I found them absolutely frank. When they were asked a question as to the possibility of a proposed branch paying, there was very little dodging of the question. When pressed, they admitted frankly that a particular road would not pay. The branches which the House has decided should wait over were in that category.

The present proposal to my mind occupies a very different position. We have the assurance of the officials, in whom I believe every honourable member of this House has confidence, despite the fact that my honourable friend would make it appear that we on this side of the House had no confidence in them. I believe that on this side there is absolute confidence in the Canadian National Railway officials who came before our Committee. Those men are not strangers to railway committees. They have been appearing before such committees ever since I came to Parliament, fifteen or sixteen years ago. To my mind there are no men connected with railways in Canada more respected by the Railway Committe of either House than the two gentlemen who appeared for the Canadian National Railway. They have almost pledged themselves. They have stated clearly that if this proposed line is built it will place the National Railways in the position of paying nearly all the interest on the already large indebtedness on that road, amounting to about $340,000 or $350,000 a year. I think the statement was that the earnings would wipe off all this amount except about $15,000.

There is a prospect of the Canadian Pacific Railway and the Canadian National coming together. I am of the opinion, and I state it fearlessly, that they ought to come together. I believe that one railway can give all the accommodation that is necessary to that part of the Okanagan Valley. However, I do not believe that in voting the third reading of this Bill we shall make it any more difficult for the railways to come to terms than if we did not accept the third reading. I think that by giving the Bill its third reading we shall place the National Railways on an equal footing with the other railway concerned, in negotiating whatever arrangement can be made. In enunciating this principle I am strongly of the opinion that the National Railway officials recognize as much as any honourable member of this House can recognize the desirability of making some arrangement in that valley, for running rights or otherwise, whereby one railway would control the district. An arrangement should be made which would be satisfactory to both railways and not burdensome to the people of this country. There is no doubt, honourable gentlemen, that the great expenditure has frightened the people of Canada. Our railways, we all understand, are in a terrible condition. The railway debt is staggering, and people are afraid; but I believe that in doing what I hope we are about to do, that is, in passing the third reading of this Bill, we are not increasing the responsibility of the people of Canada without a very good reason. I feel that the Canadian National Railways will do all that they can to arrive at a fair and honest settlement with the C.P.R., and I believe that the attitude of the C.P.R. will be similar Consequently I will support the third reading of this Bill.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentleman I have only a few words to say with reference to this matter, and I will say them at this particular time. I do not think any of the branch lines which have come before the Railway Committee of the Senate has caused me more thought and perhaps perplexity than this line the fortunes of which we are about to decide this afternoon.

Taking ground that has not been taken by others who have spoken in favour of the proposal, I look upon this in its relation to the future of the Canadian National Railways and the future growth of Canada, and the peculiar adaptability of that portion of British Columbia for the culture of fruit, to supply not only British Columbia itself, but more particularly the great spaces of the Northwest.

The Canadian Pacific Railway are already in that valley, and the Canadian National Railways have made large expenditures there. I would like to see an arrangement effected between the two great railway systems, whereby each would have equal traffic facilities and running rights over the rails of the other, each contributing its proportional share of the expense and the roads working together, not as one road, but as two. In that way the overhead and maintenance expenses would be minimized, and the capital cost as well. Whether such an arrangement can be brought about or not I do not know. It would seem to me that circumstances are somewhat favourable to an arrangement of that kind being successfully carried through. It will be for these two great railway systems to work it out between themselves. I think, however, that it is wise for us to pass this Bill. If the Canadian National Railway's negotiations do not bring about a satisfactory arrangement,

they will have the power to build the proposed line. To throw out this Bill would be, to my mind, not to the advantage of the Canadian National Railway in connection with any propositions that may be settled between them and the Canadian Pacific Railway. From my present knowledge of the country I would not like to see the Canadian National Railway barred out of that district and the whole of it given over to the Canadian Pacific Railway. It is true that at the present time there is not a surplus of traffic; but we have to look a little in advance and toward the future with reference to some of these propositions; and I know of no proposition to which that remark will apply more fittingly than to the present one.

The whole expanse of the Northwest from Winnipeg to the Okanagan is at present what may be called a fruitless country. We do not know what may be in the future to make that portion of the country to a certain extent self-sustaining so far as fruit requirements are concerned; but it does seem now, looking towards the future, that in that region there will be an increasingly large and by and by a very large population, which will depend upon the fruit-cultivating districts of Canada, one of which is to my mind par excellence the Okanagan district. Therefore, taking into account the difficulties of the present, I think it is a wise policy for us to make provision so that we may salvage the $5,500,000 already put in there, and retain for all time to come for our own railway one of the best prospective fruit centres in this country. Looking at it in that way, I do not feel disposed to block this Bill at the present time.

Outside of that, I feel that there is at the present time in the Okanagan valley, a sort of psychological interest in the matter. Thousands upon thousands of men have gone in there, and have placed their fortunes in the fruit culture of that district. As everyone knows, it takes time for orchards to bear. Many of them are now coming to that point. The fruit business in that district has not been a profitable one to the present time; but the people who are there are holding on in the hope of working out their problems and I think it would be a very disastrous thing to the hopes and fortunes of the investors in that particular region if we were not to pass this Bill, and that is why I propose to give the vote that I am going to give, which is against the three months hoist.

There has been a great deal said with reference to what the Senate is doing and what it is not doing. I do not know that it is worth while taking up very much of the time of the Senate at this particular time to state a few facts with reference to the criticism directed to this Chamber, particularly to this side of it, with reference to these matters. Certain corespondents in this city and certain newspapers outside have between them succeeded in hatching quite a conspiracy. With information from this end, the newspapers at the other end have come to the point that they have discovered a conspiracy to slaughter the Canadian National railways—a conspiracy which is aided and abetted by some recalcitrant members of the Liberal party, but chiefly by the Liberal-Conservative members of the Senate.

I think there is one fact that might be taken into account. If there had been a conspiracy, and if there was a proposition that found favour with Liberal-Conservatives in the Senate, to hinder and destroy and slaughter, if possible, the Canadian National railways, and to use this branch line business as a means for doing so, it seems to me that it is pretty hard to make the facts of the case tally with the accusation. It would have been the easiest thing in the world for members so disposed simply to make up their minds, without much labour or toil, that they would slaughter these Bills for the purpose of hampering the Canadian National railways. As a matter of fact, what was the action of the members of the Railway Committee? Instead of doing that, and doing it quickly, and making the operation as painless as possible because of the facility and quickness with which it should be carried out, what do we find? We find that the Commons sent the first batch of these Bills up to us on May 16, the second batch on May 20, and the third batch on May 27. Thereupon the Committee met on May 28, and rose on July 2. They spent parts of thirteen days—39½ warm hours in the Committee. That is not, it seems to me, very indicative of a conspiracy to destroy these Bills. Why so much labour in the operation when all that was required was a banding together and a taking of the vote?

Now, what did take place in the Committee, and what is the result? Twenty-six Bills were submitted to the Committee. One of those bills was withdrawn by the Government; six were refused; and nineteen were approved. I think that tabulation is sufficient evidence to clear this House—if any honourable member on either side of the House thinks that necessary—of the imputation of being wreckers of the Canadian National railways.

There is another point which may be considered. All this might have been done one year ago, and the situation have been exactly as it is to-day, if the Government had brought down their measures in a reasonable manner last Session. But they bulked the whole lot of them together, and no legislator of any experience or thought could for a moment sustain the idea of being called upon to pass holus bolus a measure placed before him as that measure was placed before us last year.

Hon. Mr. DANDURAND: I stated last year that these branches, which were contained in the schedule, could be taken separately and dealt with as if they were so many Bills. But I will make this admission to my right honourable friend, that the Bill last year came too late to allow the Senate to give the time that we have given this Session.

Right Hon. Sir GEORGE E. FOSTER: That is all the admission that is necessary, added to the fact that the Government made a different disposition this year, and brought down the Bills singly. I want outside criticism to take that matter into account—that the situation reached to-day might have been reached just one year ago if the conditions under which this legislation has been placed before us this year had been the same.

With reference to the work in the Committee itself. I have no fault to find with the officials of the Canadian National railways as I came in contact with them during the sessions of the Committee, and I call my honourable friend to witness whether, during all of the sessions of the Committee, he saw a particle of evidence of a complicated or conspiratorial design on the part of any of the members of that Committee to defeat these Bills simply because they were Canadian National railway Bills. I have been a member of Committees for many years; I have sat in the House of Commons on the Railway Committee; and I will tell this House as an absolute fact that I never saw a set of Bills that were gone into so thoroughly or conscientiously or consecutively, with a desire to get at their real merits, as these twenty-six Bills that came before the Railway Committee of the Senate. I think my honourable friend will bear me out in that.

It has been said that it was indecent to have officials of the C.P.R. at the meetings of that Committee, and that the fact that they were there is proof positive that there was a malicious intention to work in with the C.P.R. to defeat the Canadian National railways. It is the absolute duty of a Committee, in order to perform its functions properly, to get all the information it can possibly get from any source, and if by doing that we may just as well serve the interests of the people, and save the expenses of the Government, it becomes our duty to get information from the other road. We did that, and I do not think any fair criticism along that line is going to amount to much.

Once more, and lastly, I want to protest—I have not done it before, and I propose to do it now—against the idea which seems to be current somewhere that because we are members of the Senate we have no right to question measures which come to us from the other body. What is the Senate for? What has it been for since 1867? It has been a body for the revision of legislation coming from the popular body, and it has been supported by both parties in this country. As such, it has done its work from 1867 until to-day; as such it is doing that same work; and as such, so long as it exists, and so long as the people of this country believe in two Chambers, the Senate will be recreant in its duties if its individual members do not base their responsibilities with that principle in mind. I call to witness the members of both sides of the Chamber, who mingled with each other on an absolutely non-partisan basis in that Committee, when I state that there never was better team work and in-and-in working than was exhibited by the members of both political parties when in that Committee. I think, therefore, these things may very well be said. I am not very sensitive to criticism from outside; I have had some of it for a good many years, and I am still in health and strength; but I think it would be well for our critics outside to be just in this matter and not to hatch conspiracies where conspiracies do not exist.

One last word. I take the stand that many took when the principle of Government ownership or operation of railways was broached, that if it had been a matter entirely in the initative of the House of Commons, my opinion should have been rather for the control of railways than for the ownership and management of them. However, once they came into our possession—absolutely forced into the possession of the Government of Canada—then I become a partisan for our own railways. At the same time, I do not think it is right for our own railways to be shoved into an active and ruinous competition with the other great system of railways which we have. They should work in unison, one with

the other, with the country's best interests in mind—and I believe that is the sentiment of the best men throughout this country.

Hon. G. D. ROBERTSON: Honourable gentlemen, in order that my honourable friend the leader of the Government (Hon. Mr. Dandurand) as well as the honourable the senior member from Regina (Hon. Mr. Laird) may not be under any misapprehension as to where I stand on this Bill, I may say that I propose to speak and vote against the amendment, and to support the motion for the third reading of the Bill. There are several reasons that I think it appropriate to mention at this time, one or two of which have not yet been mentioned. Before doing so, however, I desire to refer to one or two remarks the leader of the Government made with reference to the telegrams that he had seen in the press. May I call attention to the fact that telegrams and press reports indicating exactly the opposite sentiments have appeared, and I think they were just as inappropriate as those to which he referred.

We have seen in the press during the past twenty-four hours statements from one province that the Provincial Government and other organized bodies in that province have been sending communications to the Government of Canada protesting against the action of the Senate with regard to these Bills. I wish just to observe that the Senate has approved the building of six branch lines—a total of 158 miles, at an expenditure of $4,858,000—in that province, which is considerably in excess of the amount granted to any other province in Canada. If, therefore, the Senate is to be condemned by the Government and the people of that province because it has acceded to their requests, and after investigation found itself justified in agreeing to that much consideration being given, it is not very encouraging to have such criticism unfairly levelled against the Senate.

With reference to the Kelowna line, my honourable friend referred to the fact that it was born during the days of the preceding Administration, and that the appropriations for the commencement of its construction were included in the 1920 estimates in a lump sum. I am sure that the information he had was, in his opinion, correct; but I want to call his attention to the fact that the Kelowna branch road dates back of that. That is to say, the road as now proposed was commenced by the Canadian Northern Railway before it became the property of the people of Canada; its construction had actually commenced and the bonds for the completion of the whole line had been sold, and the money was in the bank. Therefore the former Administration was simply proceeding to carry out the programme of commitment and the contract that had been entered into by the Canadian Northern with the Government of British Columbia before the railway became the property of the state.

I support the Bill for a few distinct reasons, and I will be very brief in enunciating them. The Okanagan Valley is a narrow territory running north and south along the Okanagan Lake. The C. P. R. main line traverses the Province east and west, and 54 miles southward from Sicamous Junction in British Columbia is a branch line which serves this territory as far as it is served at present; then 49 miles from Sicamous Junction is Vernon, the heart of the fruit shipping district. Five miles from that is Okanagan Landing, at the head of the lake, which is the terminus of the road. On the lake the C. P. R. gives a boat service in co-operation or conjunction with their rail line. The distance from Okanagan Landing to Kelowna by water, is 33 miles. Along the banks of that lake there is a mountain range which is impassable, and impossible to pass over. Behind that mountain range lies a fertile valley twelve or more miles in width, running from Vernon to Kelowna, 33 miles, through which there is no railroad, and which is highly industrialized so far as fruit-growing is concerned.

There are only two other similar places in Canada, and I want to call the attention of honourable members to that fact. They are the Annapolis Valley in Nova Scotia and the district from Hamilton to Niagara Falls, below the mountain, in Ontario. The people of those districts are engaged in similar activities. There are small farms cultivated by a large number of farmers; there is a dense population, and each of those districts has a railroad. I would ask my honourable friend from Middleton (Hon. W. B. Ross) who moves this amendment, whether he would vote against the construction of a railroad through the Annapolis Valley to-day if there were no road there. For instance, if the C. P. R. ran a ferry service from St. John to Digby and took the cars across to Digby and said to the fruit-growers in the Annapolis Valley, "Bring your fruit by truck, or the best way you can get it, to Digby, and we will take it across to the main line;" that would be a similar situation, and I am sure that no honourable gentleman from the Maritime Provinces would for a moment hesitate to decide as to what should be done if that condition existed there to-day.

Likewise, in the province of Ontario, if there were no railroad between Hamilton and Niagara Falls, if there were a range of hills that it was impossible to pass over, lying along the shore of the lake, and a boat service from Niagara Falls, and the fruit-growers were told, "Cart your fruit to Hamilton or Niagara Falls," then you would have a situation similar to what now exists in the Okanagan Valley.

Mr. M. H. McLeod, the chief consulting engineer for the Canadian National Railways, who has located and supervised the construction of more miles of railroad in Western Canada than any other living man, came before us and stated that the completion of this road would be profitable, that it would not only pay the interest on the money to be expended, as now asked, but it would pay $315,000 of the $340,000 interest claims that are now being paid every year upon the bonds that were guaranteed by the province of British Columbia, and for which the Federal Government is now responsible. If that be a true statement, and we have every reason to believe it is, surely, from the standpoint of the National Railway and the Government and the people of Canada who have to pay the deficits, it is a good business proposition. But, in addition to that, honourable gentlemen will remember that it was told us that there were 46,000 people in the Okanagan Valley district. How large a district or area would it take to hold that number of settlers on the prairies, for example, where we have been very generous indeed with the extension of railway lines?

We were told that nearly 20 per cent of the available arable land in that valley was as yet uncultivated because it was unwatered. Why is it unwatered? Because capital will not go in there to develop irrigation projects until transportation is in sight to take out the products.

For these various reasons I heartily join with those who propose to support this measure believing it to be in the interest not only of the Railway itself, but of the people to be served, and in the general interest of Canada, and that it is a move that has been too long delayed. It is quite true, as the right honourable member from Ottawa suggests, that the railroad might have been in operation this year had it not been for the unfortunate handling of those branch lines last year, for which I attach no blame to the honourable leader in this House

Just one other point, in reference to what will occur as to duplicating services. The railway from Kamloops to Armstrong, thence over the C. P. R. from Armstrong to Vernon, will mean that the Canadian National Railway will inevitably seek running rights from the Canadian Pacific Railway from Armstrong to Vernon, and it is just as inevitable, to my mind, from my little knowledge of the ways adopted by railway companies, that the C. P. R. will insist upon running rights, or access of some sort, to the extension from Vernon to Kelowna, in return for the running rights which it is being asked for, or will be asked for, from Armstrong to Vernon. The ultimate outcome of this legislation, if passed, will be an arrangement of some sort mutually satisfactory to the two railroads, or a decision of the Board of Railway Commissioners, if they have to be the referee, which will result in the people of this district getting a service from both railroads over a single line, and access to all the markets of Western Canada, whether they be reached by the National or the Canadian Pacific.

I therefore heartily endorse, and propose to support, this Bill.

Hon. E. MICHENER: Honourable gentlemen, I would like to give a few reasons why I oppose this amendment and support the third reading of this Bill.

We have listened this afternoon to honourable members from the far East and from the far West, and I notice that all the western members have unqualifiedly supported the construction of this line, while two members from the far East have opposed it. I could not help feeling not only to-day but during other debates of a similar character, that if some of the eastern Daniels who come to judgment upon the needs of Western Canada would come out West more frequently, to the higher altitudes and clearer air, they would have a better vision not only of the real needs of Western Canada, but of the needs of this Dominion as a whole.

To my mind this line is a strategic one, and therefore is in a different class from other branch lines which we have either approved or postponed, for those were only local, giving facility to certain districts to export their products to Port Arthur or Vancouver; but this line would distribute the products of this part of British Columbia throughout all parts of Western Canada, and even to Eastern Canada, for in the stores in Ottawa and further east may be found apples and other fruits and products from the Okanagan Valley.

From the Alberta boundary to Vancouver, a distance of several hundred miles, the Canadian National Railways has no feeder. From Kamloops to Ducks and Armstrong, the Okanagan Valley runs for something like

120 miles. The mover of the amendment said his objection was that this line would duplicate the Canadian Pacific Railway. Let me to say to him that out of the 120 miles proposed under this Bill there would be only about 15 miles of duplication of the C.P.R.

I say this is a strategic line, because it involves a principle or policy with respect to the Canadian National Railways, which would be very well advised by taking some lessons from the Canadian Pacific Railway. What has made the latter railway a success and has played so important a part in the country is that its managers have been keen to the advantages of securing areas adjacent to their trunk lines, to supply them with arteries or feeders, so that their lines might be made successful. To-day the C.P.R. largely supplies the needs of the southern part of the Northwest Territories. We have an area of arable land from Winnipeg westward, of approximately 1,000 miles by 500 miles north and south, containing about 320,000,000 acres of fertile, arable wheat land. The Canadian National Railway has its ramifications throughout the more northerly portion of the western country.

The line proposed under this Bill would run into the largest arable section of British Columbia, the products of which are fruits and vegetables of that milder climate which has been denied to other parts of Western Canada. There is not a hamlet or village or city in all the Northwest that does not receive products from the Okanagan Valley. For this reason the proposed line would be a feeder to the Canadian National Railway for distribution throughout all the northern sections of the prairies, and such a feeder is very essential to the Canadian National System, as well as providing facilities to the people in the Okanagan Valley. Everyone knows that fruit products require quick service.

Notwithstanding the opinions expressed by different honourable members, I have yet to see a prosperous place with only one railway. Where the area justifies it, I consider that it is absolutely essential for efficient and quick service that there should be railway competition. The Okanagan Valley is only in its infancy, with only about 20 per cent of its soil under cultivation. The products of fruit have more than doubled in the last five years, and by the completion of this line we are assured by honourable members who are interested in that district, and by the railway officials of the Canadian National, that from the very day the line begins to be operated it will pay interest charges. It seems to me that there is every justification for the immediate construction of this line, and personally I would feel that it would be wholly against the interests of the Canadian National system if the C.P.R. should buy the line at the cost that has already been spent on it, and thereby rob the Canadian National system of access to that large area of central British Columbia; because from the Alberta boundary clear down to the Fraser Valley there is no productive part to provide traffic to the Canadian National Railway.

Not only would this road give the Canadian National a distributing territory over the whole of Canada practically, but it would give the province of Alberta, which I have the honour to represent, a distribution to the Okanagan Valley of our mixed farm products. That valley is one of our principal markets for hay, for dairy products, and for all kinds of mixed farm products. In northern Alberta we need that Canadian National Railway connection in order to give service to the people of that Province, not only in bringing products from the valley, but in getting Alberta products into the Okanagan Valley.

If this Senate or this Parliament intends to throttle the Canadian National road by robbing it of this feeder, which is the only feeder from Vancouver to Alberta, the death-knell of the Canadian National System would be tolled, and its future success would not be assured. If the Canadian National system is to succeed it must have feeders. If we have trunk lines that would accommodate from 20,000,000 to 25,000,000 people, the only way we can justify those lines and make them pay, and make Canada prosperous, is to provide necessary feeders, hold the people we have, bring in new settlers, and fill the vast vacant areas of western Canada. We need to bring into cultivation all those newer areas in the West along the route of the Canadian National System. We need to increase the present traffic and to create more, so that the National Railway System will be in a position to do for Canada what the Canadian Pacific has done in the past.

It seems to me that the time has come when we are at the parting of the ways, so to speak. We must make a success of the Canadian National System, increase our population, develop our resources, and put an end to stagnation. There is only one thing we can do, and that is to go on. We have already gone too far to turn back, and we should push forward and do for the Canadian National Railways what the keen-minded

directors of the Canadian Pacific have done, namely, supply the necessary arteries so that our National System can have sufficient feeders, and thus be put on a basis for fair competition with the other great system of this country.

I am sure, honourable gentlemen, that we are all proud of the Canadian Pacific Railway, and I believe that the same vision, the same faith, and the same courage which have brought that road to its success, if put into the Canadian National System, will bring the same result, and we shall feel the same pride in our great National system that we do in the Canadian Pacific. I am therefore prepared to back the leader of the Government to the fullest extent, and to support the third reading of this Bill.

The amendment of Hon. W. B. Ross was negatived on the following division:

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Honourable Messieurs:

Beaubien,	David,
Black,	Foster,
Blondin,	Macdonell,
Casgrain,	McLennan,
Chapais,	Ross (Middleton),
Daniel,	Todd.—12.

NON-CONTENTS

Honourable Messieurs:

Barnard,	McMeans,
Bénard,	Michener,
Bennett,	Mulholland,
Blain,	Murphy,
Bradbury,	O'Brien,
Calder,	Pardee,
Cloran,	Planta,
Coté,	Poirier,
Crowe,	Pope,
Dandurand,	Prowse,
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Foster (Sir George),	Schaffner,
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Griesbach,	Stanfield,
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McCormick,	Webster (Brockville),
McDonald,	White (Inkerman),
McHugh,	White (Pembroke),
McLean,	Wilson.—56.

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

THE BRITISH PREFERENCE

MOTION AND DISCUSSION

The Senate resumed from June 10 consideration of the motion of Hon. Mr. David:

Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I intend to finish my remarks, if possible, before six o'clock, but if for any reason I should have to continue five or ten minutes longer, I hope honourable members will have patience to hear the last of my remarks before going to their dinner. Whether their appetites will be improved thereby or not I do not know.

Hon. Mr. PARDEE: We will take a chance.

Right Hon. Sir GEORGE E. FOSTER: The resolution which is before the Senate has been moved by my honourable friend the Senator for Mille Iles (Hon. Mr. David) and seconded by the honourable senator from Stadacona (Hon. L. C. Webster). I wish to congratulate both these honourable members on the assiduity and research which characterized their speeches made in favour of the resolution, and the fair way in which they made their arguments in favour of the resolution. I assume that the resolution was the result of certain convictions by these honourable gentlemen that matters, industrially considered, were not exactly as they ought to be—that there was, so to speak, a malady somewhat persistent and widespread, for which a remedy ought to be sought. I assume that the resolution also embodies the thought of these honourable gentlemen in respect to that remedy. The seeking of a needed remedy for a condition of things presupposes that these honourable gentlemen make a diagnosis of the case, that they seek to determine what are the causes for the situation as it presents itself to them, and then, having diagnosed the case and examined into the causes, they propose a remedy which they consider to be sufficient for the existing conditions. That is what every good physician would do, and that is what public men do as well, when they come to apply remedies for certain ills in the state.

Now there may be a great many causes which lead to the present unsatisfactory condition of our industrial community; but I think I am pretty well within the mark when I say that there are five principal ones. The first cause for the present condition of things is that at this particular time the tariff rates which are meant for the protection of Canadian industries have fallen below the safety line and that consequently our industrial entity so to speak—our industrial body—is

menaced with what restricts it, what takes somewhat of the heart out of it, and what tends to lessen production and restrict extension.

From the time that the tariff was proposed and enacted for the protection of Canadian industry—and, as a matter of course, of Canadian labour as well—the rate has never been excessively high; but since the years 1885, 1886 and 1887 the rate of taxation imposed by the protective tariff has been a continually diminishing one. In 1896 it had been brought down to a very moderate figure, and the Administration of Sir Wilfrid Laurier, which went into office in that year did not diminish that rate. There were probably some changes which lessened the duties in some particulars, and some changes which heightened them along other lines, but when you take the average of the two Administrations it will be found that on the advent of the Liberal-Conservative Administration in 1911 the duties were very similar to those which were in force in 1896. If anything, they were a little higher in the way of protecting certain industries in Canada. That, I think, is a fair statement of the case. The Administration which came into power in 1911 went out in 1921, and an examination of the protective duties will show that they were not higher at the close of the ten years than they had been when the Administration began. Under both Administrations, whilst there was some dissatisfaction on the part of the industrialists, so to speak, there was a general acquiescence in the thought and the fact that under such duties industrial operations had continued and had an opportunity of continuing in good condition.

Then came certain changes which from year to year were brought in. The Fielding tariff —the latest, with the exception of the one which is now in force—made not very much change in the duties on the majority of articles imported into this country, and did not effect very materially the industrial activities of the country.

Hon. Mr. DAVID: In what year, please?

Right Hon. Sir GEORGE E. FOSTER: In 1922. And there was this satisfactory condition, that when Mr. Fielding at last brought down his tariff and put it through the House of Commons, he coupled with it the statement that he hoped from that time onward the tariff would have the quality of stability. He himself was frank to admit that it was not practicable for industry to extend itself, or even to put its proper energies into its work, if there was from year to year a prospect of the basis of its operations and the minimum of its protection being interfered with and changes causing difficulties of operation. That policy has been departed from, and under the present condition of things, I think I am fairly warranted in saying, the cause which I have mentioned is one of the causes of the present unsatisfactory state of industrial production.

There is also, in connection with that, a second cause, namely, that not only was the level of protective duties lowered, but a disability was imposed on certain manufacturing industries by an extension or heightening of the preferential tariff in favour of British products. A 10 per cent addition was made, and that added to the difficulties of our manufacturing industries. Furthermore, in conjunction with the increase in the preferential tariff in favour of British imports, there was an increase in what you may call preference by negotiation of treaties, which was extended first to France, then to Italy, then to all the most-favoured-nation countries, and is now being extended to Belgium and Luxembourg, with an intimation that it will be extended also to the Netherlands. It makes no difference whether the disability of the manufacturing interests of this country arises from an increased preference to Great Britain or whether it arises also from an increased preference to countries other than Great Britain; it all tends to make the difficulty of manufacturing profitably in this country all the greater. That I consider to be the second cause.

The third cause has been that, concurrently with that legislation, the tariffs in almost all foreign countries were increased. Particularly was this noticeable in the case of the United States of America. That had a double effect. The increase in tariff rates in foreign countries made it more difficult for manufacturers in this country to extend the sale of their products to those foreign countries. They met with an added barrier. That was one thing. The other was that the duties in those countries—this is particularly applicable to the United States—were heightened on agricultural products and other natural resources of our country. That had the effect of restricting and diminishing the market for these great natural products. That was especially shown in grains, in live stock, and in agricultural products. The immediate result was a diminishing of the profits and the wealth accumulation of that class of our producers, and, having less money to spend, they had to make economies, and the economies fell on these industries amongst others.

Then, again a fourth cause resulted from this last legislation, in that there was, I think I may say, a total absence of any consideration of the disability imposed upon industrialists in the marketing of their products in foreign countries by the disorganized condition of the exchanges. It does not need a moment to elaborate that. When you find the currency of a country reduced to one-quarter of its normal value, it becomes pretty nearly impossible to export to that country; and that situation has not been met, as it was met in the United States, by any efficient measure of regulation.

The fifth cause that I will mention, and the last one, is the unfortunate circumstance that occasion was taken by members of the Government, when the tariff was being put through the House, to declare that that tariff signalized the death-knell of protection in this country. Not only was the statement of the former Finance Minister that he hoped stability had been attained, and would be maintained, thrown to the winds, but there was interjected the spirit of the actually vocalized menace—that industrial enterprise in this country had nothing to hope for from this Government in the way of stabilized duties, but that from year to year they might expect to be interfered with by a diminution of duties, and that in the end, the death-knell of protection having been announced, the time would come when our manufacturing industries would be exposed to all the vicissitudes of a free-trade policy. The very first thing that happens in that regard is that the capital invested in manufacturing industries becomes mightly careful, and works on from hand to mouth. Extensions are almost entirely prohibited, because capital is chary when it is not known whether or not the next year the foundation may be taken from beneath its feet, and its anticipations blocked. I think it was particularly unfortunate that that statement was made and that that seemed to be the spirit of the legislation.

If these were the causes of the present industrial situation, our good friends, who were diagnosing the disease, and who proposed to bring in a measure which would be a remedy, must be perforce obliged to bring in a remedy which shall be a sufficient remedy. In the light of what I have said, I simply have to read my honourable friend's resolution:

> That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

Granted that that is carried and comes into effect—and my honourable friend and the Senate cannot put themselves behind a resolution which they do not propose to stand by as being efficient for the purpose for which it was introduced—only one of the five causes which I have mentioned, namely, the giving of a greater British preference, has been dealt with at all. I submit that is not a remedy which this Senate should pronounce itself in favour of as a remedy for the condition of things as they now prevail. There might possibly have been some measures which would have tended to cure that situation. What might they be? If the present British preference by its increase of the last year, has an ill effect upon our Canadian industries, the obvious remedy is to take away that increase and by that means to apply the remedy to that particular thing which is deleterious to the industrial system. That could have been done. If it is said also that the conditions under which goods come under the preference system from Great Britain are so loose that manufacturers from other countries market goods either wholly or partly made in those countries and finished in Great Britain, and have undue access to this country, those conditions should be tightened up. So, by directly taking away the increase that was made, and leaving the British preference on its old footing, and by tightening up conditions, if they were loose, a remedy might be applied to that extent; but it would have no effect at all upon the underlying causes for the condition of things as they are to-day. It would not remedy the falling of the tariff line below the safety mark; it would not remedy any of the other causes which lie deep, and are greatly responsible for conditions as they are. Therefore I contend that my honourable friend has not put before this House an adequate remedy for the disease as it exists.

I want also to say another thing. Does it make any difference whether an undue preference to British goods is found difficult to meet, and consequently is somewhat disastrous to Canadian industries or whether preferences to other countries doing the same thing ought also to be taken into account? Why single out the competition made by British goods under their preference, and leave intact the preferences and privileges and reductions given to other countries? Surely it is not for us, as a part of the British Empire, to encourage that very partial and discriminating treatment on a great subject like this.

Let me read some figures. I am taking them from the address of the honourable Senator

from Stadacona (Hon. L. C. Webster). He gave figures showing the imports of worsteds and woollens by yards from Great Britain and from France, in 1921 and in 1924. The figures are instructive. In 1921, from Great Britain worsted and woollens were imported to the amount of 237,423 yards. In 1924 that amount had grown to 880,546 yards—a very considerable increase—3½ times more than it was in 1921. Consequently it is stated that the woollen industry is inimically affected. From France, in 1921 less than 5,000 yards of those goods were imported; in 1924, 93,672 yards, or 19 times as much was imported. If you are going to treat one cause of this injury to our industries, why leave out the other?

Then take women's and children's wear. In 1921 we imported from Great Britain $396,370 worth; in 1924, we imported $465,405 worth—an increase of 17 per cent. From France, in 1921, we imported $15,590 worth; and in 1924, we imported $232,563 worth, or an increase of 1,500 per cent. There was a rush up in those three years of that competitive mass to exactly one-half of the total imports from Great Britain. If the importations of that class of goods from Great Britain on account of the preferential tariff is something which ought to be legislated against, how about the protection that ought to be given against the ever-increasing importations from France as well?

Take Cassimeres. In 1921, we imported from Great Britain $135,132 worth; in 1924, $191,961—an increase of 58 per cent. From France, in 1921, we imported $11,993 worth, and in 1924, $77,592 worth—an increase of 650 per cent.

I am just drawing the attention of this Chamber, and of the public generally that may look into this matter, to the fact that if there be an undue pressure upon our Canadian industries because of a preference to Great Britain, under these treaties that have been made, you behold the great pressure increasing by leaps and bounds. If the same thing goes on for two or three years more, the importations from France alone along these lines will be far and away above the importations from Great Britain; and consequently the pressure on our industries will be by that much increased.

But you have to go a little further than that. The very moment you allowed that in the Treaty with France, you at the same time went further. The Government, in that easy, sweatless way of negotiating and making Treaty arrangements which simply says: "Well, we will just take it this way: we will give them most-favoured-nation treatment, and they will give us most-favoured-nation treatment, and we will make a Treaty along that line;" proceeded by the very fact of signing it to give to Italy, also a competitor in some of these things, the very same privileges which were given to France, and which France paid for to a certain extent, but for which Italy gave nothing in return.

You have done the same with reference to Belgium, and we will have that Treaty before us in a little time for our assent and ratification. You did the same perforce to Switzerland and Japan and eight or ten other countries.

I say that a remedy applied to our own Mother Country ought not to be the sole remedy when we have these somewhat startling facts, as a result of these other obligations. Let me go a little further. I come now to a matter which I think has escaped the attention of my honourable friend the mover (Hon. Mr. David) and the seconder (Hon. L. C. Webster) of this motion. What is that? It is a matter, I think, of a good deal of importance. When our negotiators sat down in Paris to negotiate their Treaty with the French Government, they had their tariffs before them. We had a tariff of three divisions—a preferential tariff, an intermediate tariff, and a general tariff. Our negotiators in facing the French negotiators were asking for mutual concessions. The question came up of a particular line of goods. Our negotiators would say to the Frenchmen: "Now, what will you give us on that line in your country?" The French negotiators would say to ours: "Let us examine that line; what do we get from you? We find there a preferential tariff in which Great Britain, for instance, gets her goods into Canada at a preferential rate. Now, Great Britain is one of our competitors. We cannot give you as much as we would give if that competitor was on an even footing with ourselves; but that competitor is on a preferential footing, therefore we must scale down the compensation which we give you."

Will you see the effect of that? Those Treaties were made absolutely on the basis that British imports were protected by our preferential tariff, and we get a bargain based on the fact that the competition of Great Britain would be with France alone on that line of preferential tariff rate. What happens? Pass this resolution, put it into effect, and you change the whole basis of the negotiations. You eliminate the principal competitor of those countries, and you give that much of an advantage to those other countries to whom

you have given most-favoured-nation treatment. How does that work out? It works out very significantly.

There are in the French Treaty three schedules: schedule D, where a fixed rate is given to French imports—31 items, all more or less important, some of them very important. You have schedule E, which gives the intermediate tariff rate to France, plus 10 per cent of the amount of duty, and you have 91 articles, distributed over almost the whole of the industrial production of Canada, in which they get that rate. Then you have schedule F, which gives them the intermediate tariff and 15 per cent on the amount of the duty; and the three items where that is given are very inclusive indeed, touching almost every branch of our manufacturing industries.

Let us see how it works out. That has been given to Italy, to Switzerland, and to Japan; it is now going to be given to Belgium and Luxembourg; it is said that it will next be given to the Netherlands. Will you think of what Belgium is, and of what the Netherlands are, as competitors with some of our branches of manufacturing production in this country? But you give it to them; they have it; and they will exercise, under it, their full rights and powers, and send their exports into this country.

The honourable gentleman who spoke last night made a statement—I did not quite agree with his deduction—that almost immediately after the wheels of our trucks had passed through Belgium with the moving exhibition, our exports to Belgium went up by $5,000,000. He gave two facts, but I thought that he failed to prove the exact connection between the two. There may have been other causes.

Hon. Mr. BEAUBIEN: I have looked for any other cause. Can the right honourable gentleman find any other?

Right Hon. Sir GEORGE E. FOSTER: I have not looked.

Hon. Mr. BEAUBIEN: I should like if the right honourable gentleman would look.

Right Hon. Sir GEORGE E. FOSTER: From the time I passed the pons asinorum, a long, long while ago, I have been very careful about putting two facts together and drawing a conclusion from them unless they were distinctly correlated.

Now, what would happen if this resolution were carried? Take socks and stockings. The British preferential rate at present is 25 per cent; the intermediate rate is 32½ per cent, the general rate 35 per cent. Put this resolution into effect and the preferential rate is repealed. Where does Britain go? She goes back to the general rate; so that on that long and important line of goods, whereas Great Britain now sends her goods into this country at 25 per cent, she would then send them at 35 per cent, while all those other nations would send theirs in at 32½ per cent plus 10 per cent or 15 per cent. I ask if that is a fair or just method of treatment.

Now, let us go to cloths. The preferential rate is 27½ per cent, the intermediate rate 35 per cent, and the general rate 35 per cent; and the French and those others all get the intermediate duty plus 15 per cent; so that Great Britain goes from the rate of import into this country of 27½ per cent back to 35 per cent, whilst all those other countries would come in at 35 per cent, the intermediate tariff, with the 15 per cent deduction of the total amount of duty.

Take, for instance, meats of various kinds. The preferential duty is 17½ per cent and the general duty is 27 per cent. On French imports there is a fixed rate of 20 per cent. That is, the imports in those lines from all those other countries would come in at a fixed rate of 20 per cent, while British imports could only come in at 27 per cent.

Take velveteens. The preferential rate is 17½ per cent; the general rate is 35 per cent; the fixed rate is 20 per cent. Take away the British preference and you would have all those countries coming in at the rate of 20 per cent, while Great Britain's exports would be taxed at 35 per cent.

I have made a tabulation, more or less long, but it all works out, on hundreds of different lines of articles, in exactly that same way. That shows to my mind that it would be quite impossible for us to attempt to cure the difficulty by abolishing the preference to Great Britain, eliminating her entirely from our market as a competitor, and placing the others on the line of advantage by 10, 15, 7½ or suchlike percentage. But I want to go just one step further than that. I consider that the remedy that is sought to be applied by this resolution is a hurtful one, a discriminating one, as well as being a partial one, and thus it is impossible for this Senate or any other legislative body in Canada to endorse it.

But the British preference has also to do with raw materials, and with partly manufactured materials. Therefore the moment that you take off or repeal the British preference, at that very moment millions upon millions of raw materials and of partly manufactured materials, which are the very life and

sustenance of our Canadian industries in many respects, have added to the cost the amount of the duty. That would be very unfair and very hurtful to numerous Canadian industries.

There are other things in which that would be detrimental. Our coal comes in at a certain rate; the United States sends a vast amount of coal into this country. The moment you take off the Imperial preference you take away a competitor of the United States on a lower basis for the supply of coal to Canada. The United States fears that competitor. Our own consuming population likes that competitor, for it makes the coal bill less. But if you take away the British preference, that competitor is to that extent taken out of the field of competition.

Take, again, tin plates. We do not make them in this country, but we have large industries which depend upon the imported article. Tin plates are 25 per cent preferential, 45 and 50 per cent the other two grades. Take away the British preference and you put the competitors of Great Britain in our market on a tariff of 50 per cent, and you leave all those other countries on a tariff of 45 per cent. I am quite sure that we never could stand for a proposition of that kind.

I do not want to labour this matter, so I leave that just as it is. I do not want to go very much more into details, but I want to bring out these facts as they appear to me, because I think they are quite important facts to be borne in mind.

The resolution presumes that the British people have said that they do not want to give us any preference, and therefore we will let them take their medicine. Well, I think we ought not to jump at conclusions, even in that respect. It is quite true that an election took place which reversed the policy of Mr. Baldwin, and the party that supported him were replaced for the time being by the Labour party, which came into power. That was taken as a denial by the British people of the principle of protection being applied. But there was a very significant vote just the other day in the British House of Commons. It was a vote in a full House on a resolution by Mr. Baldwin for the ratification or approval of the resolutions of the Imperial Conference. There were only 8 votes between the two contestants in a House of 550 or 560 members, which is a very full House. Those men who voted Yea were men who came fresh from elections only a few months ago, and who do not know but that they will have to go back to elections within a month or two or three. I take a good deal of comfort from that expression, after a full debate in a full House of Commons; and, after all, we may not be so far as some of us think from getting what we call a comparatively favourable deal from the British people and the British Government.

Recollect that this is but a transitory stage in politics in Great Britain. No one has any surety that the present Government has a long lease of power, as it is in a great minority, and is dependent entirely on the grace of the other two parties. It may have quite a lease of power, but, on the other hand, it may not. The prospects and probabilities are that there may be another election in a short time, and I think we may very well wait for the matured opinion of the British people before we do away with this preference.

Although Great Britain has not given us preference for preference—that is, has not given it generally, and has now in part repealed what she gave us—I still think there are advantages in the preferential arrangement which exists between us and Great Britain. At least we have made reciprocity and preference two substantial principles in our tariff enactments and our trade dealings for many long years. How can we have preference, and how can we have reciprocal relations with other countries, unless we have a protective tariff which will be sufficiently strong to make us a country worth while having reciprocal and preferential arrangements with? We have not considered it at all inconsistent with a protective tariff to carry out a system of preference and of reciprocal negotiations with other countries; and we believe that these have been in the main useful and beneficial to us. Anyway, we have established that structure, and to the British Empire through and through, with very few exceptions, we have given a preferential entrance into our markets. We have done it for our own good. We have done it because of the sentiment of unity between the different parts of the British Empire. I do not think we ought to lightly break that up, or diminish the hope of its becoming finally an established thing, by a threat of doing away with the preference at the present time.

Let me go one step further. There are preferences and preferences. There are advantages we may get from a trade arrangement with Italy; those advantages are absolutely commercial. There are advantages we get from our connection with Great Britain which are not absolutely commercial, but which far transcend commercial advantages which we might gain by any method whatever. And we in Canada must not forget that though we

have enjoyed all the advantages of the protection of the British flag, the British fleet, and the British army, we have not, comparatively speaking, paid a single cent to the support of that protection. That expense has been shouldered, and is carried to-day, for all its immense burden, by the British taxpayer, who is no more able to shoulder that burden than the Canadian taxpayer is able to shoulder a corresponding amount of it. That is an absolute advantage, as well as giving us a certain market for most of our products—the greatest market for us in the world. We must not be cheese-paring when we come to take a balance of those advantages in the matter of commerce, of trade, and the other advantages of which I have spoken.

Now, to cut this matter short—for I cannot attempt to go further into it on account of the lateness of the Session—let me say that what I think is this: that the conditions of our trade to-day, as far as industrial production is concerned, and the labour that depends on them, are not very happy, to say nothing stronger. We have a slowing-up in our industries. We have a fearful looking forward to further handicaps in the way of lessened duties: consequently capital will not go into extensions of those trade activities. It draws itself within its present resources and deals with production, as I have said, from hand to mouth.

Now, if the diagnosis that I have made of the causes for this state of things is at all fair, the remedy is not to be found in a resolution like this. The remedy must be a broad one; it must be a fundamental one; it must be one that we can stand behind and can urge in this country. We could not stand behind and urge as a remedy the mere elimination of a bit of Imperial preference. We could not make that a general policy. What we need is to take something as the expression of this House, and, if we can make it so, the expression of this country, adopt it as a policy, stand behind it, and carry it out into the future contests of this country, until we get a proper and adequate return of what will give us fair industrial stability and fair industrial prosperity. Consequently I think that something more drastic, something more inclusive than the present resolution, is necessary.

Some of us may have got the impression that the Manufacturers Association were all behind this expressed desire to lop off the British preference. I do not so interpret their attitude. The Manufacturers Association passed two resolutions. One of them is in effect about this. It calls upon the Government to cancel the tariff preference now extended to the United Kingdom, or to increase the tariff rates so as to equalize the difference in wages and other costs of production in Canada and the United Kingdom. That is, what it does want is the stabilization of a protective tariff which will be sufficient for the needs and circumstances of the day, together with a continuance of the British preference.

The other resolution was: when higher rates of duty have been put into effect Canada should endeavour to increase her export trade by making preferential tariff arrangements based on the principle of bargaining with other countries, particularly countries of the British Empire. That, I think, is a fair statement. "You might help us somewhat by lopping off the increased British preference; but the thing to do is to keep the British preference in reasonable measure and arrange your tariff so that it may be in the future, as it has been in the past, a consistent part of our general trade policy."

I therefore move that all the words after "Senate" in the first line be left out and that the following be inserted in lieu thereof:

> The proper conservation of Canadian industries and the consequent employment of Canadian labour therein demand the adoption and maintenance of an adequate and consistent protective policy, under which also the collateral benefits of reciprocal and preferential trade arrangements, wtih foreign countries and within the Empire, respectively, can be most effectually secured.

If we adopt that as our watchword and stand behind it, and press on to an authoritative mandate from the people of this country, after a campaign of education and of work, then we can ascertain the will of the people. To-day the people's mind is not expressed by the Government, nor is it expressed, to my view, in the hesitating and uncertain tariff policy where the steps that may be taken in the future all depend on a Government which has not a majority to support it and which must rely on the grace of two other parties for its existence. In no way can tariff policy or any other policy be made strong and steady and effective under such conditions. The sooner we refer this whole question to the people, on the basis of reasonable protection, and only reasonable protection, together with what I am assured the people need—proper reciprocal arrangements with other countries, and preferential treatment of each other by the different members of the British family—the sooner, in my opinion, will the situation become clarified.

We talk about unemployment. None of us can deny that during last year thousands

and tens of thousands of our operatives and workers have left this country—why? Because they did not have the employment and the wages which were necessary to them. You may say now that these are coming back, but if they went away because of lack of employment, and if employment conditions are not improved when they come back, they are not of very much bettered even though they return, because they do not and cannot put themselves in the position of earners and spenders of wages.

I do not wish to trouble the House any longer with reference to this matter, but I place this motion before the House for its consideration.

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

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

SOUTHERN NEW ENGLAND RAILWAY

INQUIRY AND DISCUSSION

The Senate resumed from June 17 the debate on the inquiry of Hon. Mr. Robertson:

That he will call the attention of the Senate to the necessity and desirability of completing the Southern New England railway; and will inquire from the Government as to its intention respecting it.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not intend to detain the House at any great length on this matter, which was brought up by the honourable gentleman from Welland, the ex-Minister of Labour (Hon. Mr. Robertson). His statement was a full presentation of the situation. The old Grand Trunk Company has spent $7,000,000 on that line, and it has maintained to this day and for some time to come its charter rights. If they were abandoned, it is reckoned that the people along the right of way and the municipalities that have given the right of way throughout their limits would have a fairly large claim for damages, so that the amount which the Canadian National Railways would stand to lose may be said to be a fairly large one. On the other hand, the problem is not without difficulties, and all I can tell my honourable friend is that it is receiving the closest attention of the Canadian National Railway Board and of the Government.

DIVORCE BILL

SECOND AND THIRD READINGS

Bill T6, an Act for the Relief of Henry George Stuart Johnston.—Hon. Mr. Planta.

DEBATES AND REPORTING

SECOND REPORT OF STANDING COMMITTEE

Hon. Mr. POIRIER moved the adoption of the second report of the Standing Committee on the Debates and Reporting.

He said: Honourable gentlemen, this is a continuation of what has existed since 1913—that is to say, that we pay $40 a week to Mr. Blacklock, the English reporter, and $20 a week to Mr. Fortier, the French reporter. Their report is acceptable, and therefore they are entitled to due remuneration.

The motion was agreed to.

THIRD REPORT OF COMMITTEE

Hon. Mr. POIRIER moved the adoption of the third report of the Standing Committee on the Debates and Reporting.

He said: Honourable gentlemen, we have had a communication from the Printing Bureau, stating that what is paid by the members of this House and the other House does not cover the expenses of printing and distributing the extra copies of debates that are asked for by members. The increase in rates is slight. There is no intention of making any money out of this, but the idea is to do away with an adverse balance sheet. The adverse balance last year amounted to some $200 odd, so you will see the increase is really very slight.

The motion was agreed to.

COMPANIES BILL

RE-COMMITTED TO COMMITTEE ON BANKING AND COMMERCE

On the Order:

Consideration of the amendments made by the Standing Committe on Banking and Commerce to Bill 118, an Act to amend the Companies Act.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, with a view of giving consideration to a clause of this Bill, which possibly may improve it, I move that it be recommitted to the Committee on Banking and Commerce for further consideration.

The motion was agreed to.

UNITED CHURCH OF CANADA BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 47, an Act to incorporate the United Church of Canada.

He said: Honourable gentlemen, Bill No. 47 as presented to this House refers to a subject that has stirred the interest and the minds of a substantial portion of the people of Canada for a long period of time. It is perhaps only fitting that, in introducing it to the consideration of honourable gentlemen of the Senate, I should briefly refer to what has occurred and led up to the present situation.

Canada is a young country, and a substantial portion of the present and past generations came to this country from other lands. Consequently they brought with them the religious traditions and beliefs which occupied their minds and hearts in the lands from which they came. But as time went on and they found themselves mingling with people of other beliefs, though perhaps not far apart, and the conditions surrounding their existence here being different from those in their native lands, it soon became obvious that a consolidation of Protestant religious bodies was desirable; and during the last hundred years or so there has been a tendency in that direction in Canada. During that time, in the three denominations that are now seeking incorporation and union, there have been something like forty different unions. I think it is true to say that the Presbyterian Church as now constituted is the result of some nine unions; and the existing Methodist Church so called of some eight unions of various denominations. Likewise the Congregational Church is the result of, I think, two or three. The last union movement that occurred in the Methodist Church was, I think, in the year 1884, when four different bodies united in one organization and were incorporated by Dominion legislation, and became known as the Methodist Church in Canada. Likewise in 1875 three or four different organizations of Presbyterians joined hands and became what has since been known as the Presbyterian Church in Canada. In 1889 some definite steps were taken towards the consideration of a further consolidation and union of churches, and representatives of the different church organizations referred to—who are now presenting their petition to Parliament—were appointed to survey the prospects, consider the possibilities, endeavour to reach some conclusions, and make some recommendation to the different churches concerning it.

That situation continued until 1902, when the Methodist General Conference, which meets once every four years, and which was then being held in the city of Winnipeg, was addressed by, I think, Dr. Patrick, a Presbyterian clergyman, who on behalf of the Presbyterian General Assembly at that time presented and extended the greetings of the Presbyterian Assembly to the Conference and during his address on that occasion made perhaps the first concrete suggestions towards an organic union that had been officially made.

Hon. Mr. GILLIS: Does the honourable gentleman state that Dr. Patrick spoke as representing the Presbyterian Church, or that he had any authority to make that statement to the Conference?

Hon. Mr. ROBERTSON: My honourable friend asks whether Dr. Patrick spoke with authority to represent the Church or only on his own behalf. Dr. Patrick was on that occation officially representing the Presbyterian General Assembly. He was not authorized by the Assembly, I understand, to make that proposal; but he was there officially representing the Church. If this statement is not in accordance with the facts, I would be glad to be corrected.

Following the speech made by Dr. Patrick at that time, the Methodist General Conference gave consideration to the suggestion, and passed a resolution which was laid before the Presbyterian General Assembly—at its meeting the following year—and official recognition was given to the suggestion made.

Arising out of the suggestion that has just been referred to, Committees were appointed by the respective churches—Congregational, Methodist, and Presbyterian—to make a comprehensive investigation and report to their several bodies. From 1904 to 1908 this Joint Committee prosecuted the task which had been assigned to it. In 1909 there was presented to the Presbyterian General Assembly a report, which was the recommendation and finding of the Joint Committee referred to. That report was considered and adopted by the Presbyterian General Assembly in 1909, but it could not be officially dealt with by the Methodist Church until 1910, the year in which the regular session of the Methodist General Conference was held, it meeting, as I have stated already, only once every four years. In 1910 the Methodist General Conference also endorsed the basis of union as recommended by the Joint Committee.

The Presbyterian Church through its General Assembly thereupon proceeded to take further action toward consummating some form of union with its sister churches. Neither the Methodist Church nor the Presbyterian Church under their laws and regulations by which they are governed, they being self-constituted church courts, need refer a question of this sort to their congregations. In the Methodist Church the decision of the General Conference is final. The Presbyterian General Assembly follows a somewhat different course of action, and must of necessity com-

ply with what is known as the Barrier Act, and obtain the approval of the various Presbyteries. But in neither of those churches is it necessary, or has it ever been necessary to obtain the approval of the individual communicants. Notwithstanding this fact, the Presbyterian General Assembly did refer the question to the Presbyteries as required by their own laws; and after having done that they went a step further and referred the matter to the Sessions, the communicants and adherents of the Presbyterian Church throughout Canada. The Methodist Church took similar action, because it was a question of very grave importance to all concerned, and it was felt that a subject of this importance, involving a change such as was proposed, was vital enough to obtain the views and wishes of the members of the respective churches. Consequently in 1911 all three of those bodies referred the question to the congregations of the various churches, with results which I think are quite well known. But in order to refresh the minds of honourable gentlemen it might be proper to refer to them briefly.

There were at that time 12 Conferences in the Methodist Church, 11 of which voted approval and one non-approval of the union. The Special Commitee of the General Conference, by resolution, directed that the whole question be referred to the Official Boards and membership of the Methodist Church. The result of that commitment was as follows. Of 29,820 officials of the Methodist Church, 23,475 voted in favour of consummating the union on the basis proposed by the Joint Committee whose report was submitted in 1910, and 3,869 officials of the Methodist Church voted against that action being taken. There were at that time 293,967 members over 18 years of age in full communion in the Methodist Church, and of that number 150,841 voted in favour of the union being consummated and 42,278 voted against. Those members of the Methodist Church who were under 18 years of age are separately recorded, but the proportions of those in favour and opposed are practically the same as those I have given. Therefore, with a vote of a little more than one-half of the total communicants, the Methodist Church proceeded to formally and officially adopt the Basis of Union proposed, and ever since that time it has stood by that decision, and to-day not only stands by the decision in proportion to the vote then cast, but so far as I know—and I have heard nothing to the contrary—stands as a unanimous unit behind the proposal of union now before Parliament.

The Congregational people, numbering some 30,000 odd, indicated, by a somewhat larger majority or proportion of their membership, their desire to enter into the Union.

The Presbyterian Church in 1911 also submitted this question to its members:

Are you in favour of organic union with the Methodist and Congregational Churches?

There were 9,675 elders in the Presbyterian Church of whom 6,245 voted in favour and 2,475 against. There were at that time 287,944 communicants in the Presbyterian Church, of whom 106,755 voted for and 48,278 against the above proposal. Of the adherents of the Presbyterian Church at that time 37,175 voted for and 14,174 voted against. That will give honourable gentlemen a comprehensive view of the situation up to that time.

The question that was submitted to the people was a direct question as to whether they were in favour of a union with the Congregational and Methodist Churches, but the questionnaire did not contain details nor explanations as to just what the terms of union were. The result was that many communications were received by the church authorities asking questions and making suggestions concerning the Basis of Union. All those suggestions and proposals, as received, were referred to the Joint Committee representing the three different churches, and were considered by them between 1912 and 1914.

In 1914 a revised Basis of Union was prepared, was approved by the Joint Committee representing the three negotiating bodies, and was submitted to the various executive organizations, namely, the Presbyterian General Assembly, the Methodist Conference, and the Congregational Union. The Methodists and the Congregationalists at that time endorsed the revised Basis of Union and adopted it, and did not again consult their membership. The Presbyterian Church, however, decided, according to its custom, and indeed its law—the Barrier Act—that an important matter such as this should not be dealt with hastily or carelessly, but that all persons properly concerned should be consulted, and their views obtained. Again the revised Basis of Union, together with the Appendix on Law, was prepared and submitted to the Presbyteries, to the Sessions, and to the membership of the entire Presbyterian Church in Canada.

In 1915 the membership was again asked to express their approval or otherwise of the Basis of Union, which had been revised and corrected in a number of respects to meet the objections and views that had been expressed by certain Presbyterians throughout the country. Those changes had been accepted as satisfactory to the Methodist and Congregational bodies, and finally, after their acceptance by

them, and after those changes had been made with the view of meeting the views of Presbyterians who had raised the objections, the revised Basis of Union was submitted to the congregations for consideration.

Furthermore, it had been pointed out by some of our Presbyterian friends who were not in accord with the union movement that the first vote had not been sufficiently decisive to warrant proceeding to consummate the union with the other churches. So in taking the second vote, it was specifically stated in the ballot submitted to the people, as follows:

> The people are reminded that the decision on this question must be reached on the basis of the votes cast.

That is to say, a majority of the votes cast would be regarded as decisive in this matter.

Hon. Mr. MURPHY: What year was that?

Hon. Mr. ROBERTSON: 1915. Just as in any of our municipal, provincial or federal elections, the results were to be determined on a majority of votes cast, and not upon the question whether every elector did or did not vote.

The question that was submitted to the people at that time was a little different from the preceding one. The question submitted to Sessions and communicants and the adherents of the Church in 1915 was in the following form:

> Are you in favour of Union with the Methodist and Congregational Churches in Canada on the Basis of Union approved by the General Assembly of 1915?

Honourable gentlemen will observe that the question was enlarged as from 1911, when the people were asked if they were in favour of an organic union with the other two churches, while in 1915 they were asked if they were in favour of union with the Methodist and Congregational Churches in Canada on the basis approved by the General Assembly in 1915. A revised and complete copy of that Basis of Union, together with the Appendix on Law attached thereto, was supplied to every communicant in order that he might vote and act intelligently upon the question.

Hon. Mr. MURPHY: I do not want to interfere with the honourable gentleman's argument, but will he tell me how many of the best men in the country were over in France fighting in 1915, when the vote was taken?

Hon. Mr. ROBERTSON: I am not able to tell my honourable friend how many Presbyterians or Methodists were over fighting, because they were all Canadians, and were all endeavouring to participate in the duties which then confronted Canadian citizens, and I do not think it is possible to give my honourable friend the information he seeks on that point.

The result of the vote taken was as follows. Fifty-three of the 67 Presbyteries that voted on the subject voted in favour of consummating the union on the basis outlined, and 13 disapproved. The vote in three Presbyteries resulted in a tie, and from one there was no return. There were 70, I think, in all, but a few were regarded as not having conducted their balloting strictly in accordance with the Barrier Act. However, I think 53 were acknowledged to have done so. Of the members of the Sessions in 1915, 7,066 voted for union, and 3,822 voted against. Of the communicants, 106,534 voted for union, and 69,913 against. Of adherents, 36,942 voted for union, and 20,004 against.

The General Assembly of the Presbyterian Church expressed its endorsement of the proposal to unite with the other two churches after receiving the votes just mentioned, and reported in the following terms:

> That, in accordance with its recommendation, this General Assembly of the Presbyterian Church in Canada do now resolve to unite with the Methodist Church of Canada and the Congregational Churches of Canada, to constitute the United Church of Canada, on the Basis of Union approved by the General Assembly of 1915, and by the majority of Presbyteries since consulted under the Barrier Act.

That resolution, honourable gentlemen, was adopted at the General Assembly of the Presbyterian Church by a vote of 406 for to 90 against.

In 1917, the year following the date of the vote I have just mentioned, the General Assembly of the Presbyterian Church, after consultation with the other churches, reached the conclusion that it would be undesirable to attempt to carry the union into effect until the unsettled war conditions then existing had passed away, and that it was not desirable to agitate the minds of the people on this question when the attention of every citizen of Canada was turned in another direction.

Hon. G. V. WHITE: May I ask my honourable friend a question? Why was it, then, that if they were so anxious not to further the matter while the war was on, they saw fit to take that vote in 1915, during the war?

Hon. Mr. ROBERTSON: I was not a member of the General Assembly, and I cannot tell my honourable friend what was in the minds of that body at that time, but I am simply stating what I believe from the record to be the fact.

Hon. Mr. WHITE: Those votes were taken by ballot, I presume.

Hon. Mr. ROBERTSON: Yes, I think they were. So by endorsement of all three Churches, or of the Assemblies and Conferences of all three Churches, final determination and action upon this question were to be postponed until the second General Assembly met, after the close of the war. Therefore it was not until 1921 that the matter again came prominently before the people for attention. In 1921 and 1922 it was the subject of consideration at the meetings of the Presbyterian General Assembly, and on each occasion further resolutions were passed and steps taken towards the final consummation of the union. The last General Assembly of the Presbyterian Church, which met in June, 1924, requested Parliament by a vote of 427 to 96, the largest majority in favour of union in the history of the Assembly, to have this Bill passed in the form presented.

The votes in the previous years in which the matter had been discussed in the Assembly were: in 1916, a vote of 404 to 90; in 1921, a vote of 414 to 167; in 1923, a vote of 427 to 129.

In 1924, after this Bill had been dealt with by several provincial legislatures and when it was before the Federal Parliament, the Presbyterian General Assembly, the highest court in the Church, by a vote of 427 to 96, as I have stated, urged Parliament to give effect to the legislation desired.

Let us briefly consider what it is that is asked for. I hope I have been able to show, honourable gentlemen, that the steps taken by those seeking this legislation have not been taken hastily, without thought, without care, or without due regard to the rights and feelings of others, who might not agree. It took from 1899, and especially from 1902, till 1924 to get thus far along the road towards consummating an organic union among these three churches.

According to the last census taken by the Department of Trade and Commerce there are in Canada 1,408,000 people who call themselves Presbyterians. There are, I think, 1,270,000, or some such number, of Methodists, and thirty odd thousand Congregationalists. Over two and a half million people, or about one-quarter of the entire population of this country, are adherents or communicants of these three churches. That number of people, through their representatives voluntarily chosen, through their courts voluntarily constituted, supported, recognized and obeyed by the membership, after all these years of thought, investigation, care and preparation, ask Parliament to approve and pass the necessary legislation to give legal effect to their desire to co-operate more closely and to better advantage in the religious field in the belief that they can do so in perfect harmony.

It is not to be expected—it would be more than could be found in human nature—that all the people would agree. Particularly is the truth of this realized when one considers that the three church bodies now seeking to be joined together are the descendants of at least forty different church organizations in this country. Therefore it was obvious that there would be a minority who would not concur in the expressed view and will of the majority of the people affected. So the question of dealing fairly with, and preserving reasonably the rights of those who did not concur, of those who desired not to enter this union movement, was given most careful consideration. That question too was submitted to the communicants, adherents and presbyteries of the Presbyterian Church to be passed upon; it has also been submitted to and passed upon by six Provincial Legislatures; it has been submitted to the House of Commons, and after a lengthy and most exhaustive inquiry before a large committee and a full debate in the House itself, it is found that the judgment of the Legislatures referred to, and of the House of Commons in addition, is in practical accord with the proposals made by the representatives of the two and a quarter millions of people, approximately, who seek this authority of Parliament legally to unite.

Hon. Mr. GILLIS: May I ask, how many voted in the House of Commons on this question?

Hon. Mr. ROBERTSON: I have not perused Hansard on that particular point, but my honourable friend from Tignish (Hon. Mr. Murphy) tells me that the vote was 58 to 90.

Hon. Mr. McMEANS: I rise to a point of order. I understand that it is not in order to mention the House of Commons here.

Hon. Mr. GILLIS: What is the honourable gentleman's authority for that statement?

Hon. Mr. ROBERTSON: My honourable friend from Winnipeg, I presume, does not hear the question.

Honourable gentlemen, there may be in the minds of some a question as to why legislation of any sort is necessary. These churches are all voluntary organizations. Every member of each of these churches is a member by choice and not by compulsion; as is the case, I assume, in all our religious bodies. He is perfectly free to exercise his own discretion and judgment as to whether he will join with or hold himself aloof from this union

movement. Out of 1,408,000 Presbyterians in Canada 69,000 odd have been so strongly of the opinion that they ought not to participate in this movement as to have come out and cast their votes against it.

Hon. G. V. WHITE: I would like to point out to my honourable friend that that is hardly a fair argument, because there were, as my honourable friend stated, only about 106,000 who voted in favour of it.

Hon. Mr. ROBERTSON: I would remind my honourable friend from Pembroke that I am not making an argument; I am simply attempting to present facts, and I submit that that is a statement of fact. If it is true that questions are decided on the basis of the number of votes cast by elected members of Parliament, or of our Legislatures, City Councils, etc., then when the General Assembly of the Presbyterian Church went to the extent of specifically advising its communicants of the fact that a decision would be made on the basis of the votes cast in this case, surely it is reasonable for us to assume that this is a fair basis on which to determine the opinion prevailing. Only 69,000 of all the Presbyterians in Canada expressed themselves as opposed to this movement. That is a statement of fact.

Hon. Mr. WHITE: And only 106,000 in favour of it.

Hon. Mr. ROBERTSON: Oh, that is quite true. The remainder, as very often happens in other activities, were apparently not sufficiently interested to bother casting their votes. That is all it means.

Now, as to why legislation of any sort is necessary. The Methodist Church is an organization which was incorporated by Dominion law in, I think, 1880. The Congregational Church, I think, is likewise constituted. There are a substantial number of trusts and trustees, who are holding and controlling property in trust and who come under the jurisdiction of various provincial laws. Therefore, in order that all things may be done in order and legally it is necessary that certain legislation be passed, and those who are seeking to enter into this union did—what? They first called into council two of the most eminent lawyers in Canada, to ascertain from them in the first place what legislation would be necessary. Mr. W. N. Tilley, K.C., and Mr. Cassels, K.C., were the two prominent legal gentlemen who were consulted, who determined the basis of the legislation, and made a rough draft of the Bill that would be required. This has since been considered and settled in detail by a substantial number of legal minds, well qualified and competent to prepare such a Bill. It was finally submitted to the House of Commons. As honourable gentlemen know, it was very carefully scrutinized there; and, as honourable gentlemen further know, it was considered for about two weeks before a large Committee, great interest being taken in the debate. As a result of the deliberations of the Committee, the Committee's subsequent recommendation to the House, and the consideration and debate that took place in the House itself, the Bill has now come to us in almost exactly the same form as that in which it was submitted to the House of Commons, with one important exception, and I will refer to that, because I am in entire accord with that particular amendment.

It was proposed that if this legislation passed, when it came into effect it would automatically bring into the United Church of Canada—which is to be the name of the new organization—all of the congregations and communicants of the three uniting churches; but it provided that any congregations who did not desire to remain in the United Church might, during a period of six months after the Bill came into force, by voluntary action of their own, withdraw from the union and continue as a church of their own choice. That proposal had about it a feature which to my mind savoured of coercive legislation, and I was very much pleased to find that the House of Commons saw fit to pass, and the promoters of the Bill consented to, an amendment that made the legislation entirely permissive, so that those who were not in accord with the union movement might of their own free will decide not to come in, instead of being swept in and then told that they might get out if they wished. The Bill has been amended in this important respect, so that it is more liberal—so that its provisions are even fairer than as first submitted. The Bill as it is before this House now, simply asks that those millions of people who are members and communicants of these three churches and who desire to come together and worship and work together in the common interest and for the common good, may be permitted to do so legally. Those who do not approve of the union movement, but desire to remain outside of the United Church of Canada, are not first swept into the United Church and then given an opportunity to step out, but they are given a free choice; they can determine whether or not they will come in, and if they do not desire to come in, they automatically keep all the property that belongs to the congregation so deciding.

Furthermore, provision is made, I think, in clauses 7 to 10 of the Bill, whereby a tribunal shall be created which will determine the proportion of the general property of the Churches to be allocated to those who do not enter the union.

Thus, in looking back over the history and records of the two former unions in Canada, one finds that the present provisions are more liberal than any heretofore recorded, and since this amendment was made in the House of Commons I have not heard from those who are opposed to the general policy, any further opposition on this particular point.

There may be a number of details which will occur to the minds of some honourable gentlemen, who may desire to say something on this subject. However, I have not sought to make an argument at this time; I have tried, perhaps in a homely way, to submit to honourable gentlemen the facts as they exist and the sequence in which events have led up to the present situation.

May I say to this honourable House that in my humble opinion the future of this young country will be better served if, instead of small religious bodies carrying on under difficulties and competing with each other, they can work together in harmony and with greater economy. It has been my duty, and I regard it as a privilege as well, to have travelled throughout almost this entire country in the past twenty years. There has never been a year in which I have not spent some of my time in Western Canada, in connection with my business. From observation and experience and knowledge of the West I say to you that this union movement is not only desirable, but inevitable. It has gone so far that it cannot be stopped. It is just as irresistible as the tides of the sea, and will go on. We make no objection, and have no objection, to all those in Canada who do not desire to join in the movement standing aside or proceeding on their own way in peace and quiet, but we do say to them, that while we recognize that minorities have rights, we also respectfully contend that majorities have rights as well, and should not be hindered or obstructed in their march along the path of progress in this young Dominion.

I therefore move, seconded by the honourable gentleman from Stadacona (Hon. L. C. Webster), the second reading of this Bill.

Hon. WILLIAM ROCHE: Honourable gentlemen, most of the members of this honourable body rather object to taking part in polemical discussions or in church matters; but I do not think an important Bill of this kind should be allowed to go by without a free expression of opinion on the merits of the Bill.

No doubt the Bill has been presented by a very extensive and influential body; but, in the first place, I object to the title of the Bill. The title of the Bill is most pretentious—the United Church of Canada. These three churches united do not represent the religious sentiments of Canada altogether. It is not a state church. It is not identical with Canada, because there are other large denominations—for instance, the Roman Catholic, the Church of England or the Anglican, the Baptists, the Methodist Episcopalians, the Reformed Church of England, and numerous other sects. Therefore, for any new body to arrogate to itself a title co-equal with the extent of Canada is preposterous, and to call itself the United Church of Canada is a misnomer; and when this Bill is in Committee I shall have the pleasure of moving that the letters "es" be added to the title of this Bill, making it the United Churches of Canada.

I have had the pleasure, and I think the benefit, of attending all the churches that are mentioned here. I go frequently to the Presbyterian Church; I have gone to the Congregational Church; and the Methodist Church is next door to me in Halifax. I find, so far as my limited ability to decide goes, that they have about the same doctrine in all these churches; therefore, I conclude that if the members of those churches wish to unite and to worship in harmony and according to the same doctrine, they should be allowed the privilege of doing so.

But there is a reservation to that. For my part, I believe in the construction of the Church on a different basis. I read in the record that our Saviour Himself, with the apostles and the believers, assembled in the little village of Sychar, not far from the parcel of ground that Jacob gave to Joseph, and that that was the origin and the outline of the first Church. Secondly, at the convention at Jerusalem to form the Church there assembled, the laity elected Matthias, one of the eleven Apostles of the Church, and they decided by ballot. The Congregational system is scriptural and right. After that the Apostle Paul sent out emissaries to Crete, Cyprus, and other places, who elected elders in all the churches. About a hundred years after that the bishops began to take their place. Bishop Diotrephes was rebuked by the Apostle John, and he was informed that he would be disciplined when he returned. After that there was the archbishop and the metropolitans and the patriarchs, and so on—all after the model of Imperial Rome.

If the members of the churches wish to unite, I shall be in favour of their uniting, but I do not think it should go on a mere majority of representatives to the General Assembly or to any other body of that kind. The churches are all separated; they all have autonomy; therefore, if some of the churches are unwilling—and I believe there are many that do not wish to enter this union—they should be allowed to remain out of the union and to retain all their property of every description which they hold in trust or in fee simple or in any other way. They should not be interfered with in any respect by the union of the churches or by the establishment created by the churches in the way of the General Assembly or Convocation or Representation, or anything which is designated as a collection of representatives from the churches.

Hon. Mr. ROBERTSON: May I say to my honourable friend for his information that the Bill as presented makes full provision for exactly what he suggests?

Hon. Mr. ROCHE: I know. I have read the Bill, my friend.

In the first place, there is the appointment of Ministers, and there is the ownership of the colleges, and all that paraphernalia of the professional men who dominate the churches. The laity are not considered of much account, because they have not the information and dare not enter into ecclesiastical controversies, because professional and collegiate men dominate the whole. They are to receive compensation for the stake or interest they may have in the colleges and other institutions—the buildings; but they do not dominate those colleges. The professors and the establishment, and all that, are in the hands of the new church. We know that the ministers in these non-concurring congregations who may hold different opinions from the hierarchy, will always be under a disability, because they are unable to produce ministers of sufficient character and ability to control and satisfy the people. That status is something which is insurmountable: they are not on an equality.

My contention is that these congregations, being autonomous, should not be compelled by any law of this legislature to enter the Church. It should not be that they shall enter it and retire from it afterwards; but, if they do not wish to enter the Church, they should have their wishes respected, and should not take places in any representative body, and should not be governed by any assembly or convocation or anything of that kind that can be dominated by certain interests and by great personal eloquence and influence. If they wish to act in the old way, under the old form, with the old religion and the old practices and traditions of the good old Presbyterian church, they should be allowed to do so.

On the other hand, the Methodist Church has no affinity to the Presbyterian Church. It is an offspring of the Church of England. John Wesley would have turned in his grave if he heard that his societies were to be abandoned, or that the band of lay preachers he sent out to evangelize England were to be under the control of any assembly, or were to be made ministerial, or were to be limited in their scope of usefulness.

So I place before you my view as plainly as I possibly can, that those who want to form the union should have the liberty of forming a union, and that those who do not want the union but want to remain as they are shall be allowed by this legislature to do so.

Hon. J. D. REID: Honourable gentlemen, this to me is a very important Bill, and I would not like a vote to be taken upon it without saying a few words in regard to it. I am a Presbyterian, but in addressing this assembly I am speaking not only for myself but for at least a majority of the congregation of which I am a member. More than that, I believe that I am speaking for a majority of the Presbyterians in the Dominion of Canada. At all events, I am speaking for the 70,000 or the 69,900, which the honourable gentleman (Hon. Mr. Robertson) mentioned, who voted in 1915 against this union.

Let me say, honourable gentlemen, that in my judgment this is one of the most important Bills that ever came before Parliament. I have been a member of the House of Commons and of the Senate for over thirty years. During that time there came before the House of Commons a Bill that affected the religious doctrines of another denomination. There was a minority involved in that case. Little did we think at that time that the question involved was going to stir up strife throughout the Dominion of Canada that would last for many years. The result of that legislation is known to every member of this House, and the effects of it have not yet ended. People still have it in mind. If that happened thirty or thirty-five years ago, should we not expect that similar results may follow from the Bill that we now have before us unless we take every precaution to do right and justice to those who may happen to be

in the minority? For that reason, I ask Parliament not to act too hastily, but to use every means possible, if the Bill has to be put through, to meet the rights of those who are in the minority, and not hurt the feelings of anyone, or cause excitement and unrest among those who may happen to differ from the promoters of the Bill.

We should deal with this Bill on its merits. We should consider how the Bill will affect the religious beliefs of those interested. We should also safeguard the rights of minorities and look to the effect of the legislation on the country as a whole. The honourable gentleman who has moved the second reading of this Bill suggests that it is in the best interest of Canada. For instance, he said in presenting the Bill that Canada was a young country, that Canada must be improved and made a great country, and that the way to do that is to unite the churches. Well, if his argument is correct, why not go a little further and unite all the churches in Canada and make one great church for the whole Dominion? Then we will have a great future and Canada will become a great country.

The honourable gentleman has also said that this Bill should pass because of the great majority who are in favour of it. He states that in 1915 a vote was taken on Church Union. I agree with the honourable gentleman who asked whether it would not have been better and fairer to allow this matter to stand over until the war was over, instead of dealing with it while 700,000 men were over on the battlefields, and our people were suffering from the shock and the loss of their children. However, the vote was taken, and the honourable gentleman gave some figures, with which I agree. He says that there were 1,408,000 Presbyterians in the Dominion of Canada. He says that 106,000 communicants and 36,000 adherents voted in favour of union, whilst 69,900 communicants and 20,000 adherents voted against it. That means that there were 142,000 in favour of union and 90,000 opposed to it. In view of the other figures given, I ask if that was a representative vote; and, if it was not, I ask every honourable gentleman to hesitate before making people abandon their faith and transferring them to some other denomination. Just think of it. I am only taking the arguments of the honourable gentleman who presented this Bill—that would mean that about 232,000 votes were cast, while there are 1,408,000 Presbyterians.

Now, let me give you my opinion as to who were responsible for the votes. The Presbyterian clergymen in Canada are the ones who make up the General Assembly, along with an equal number of elders. The clergymen, therefore, control the General Assembly. They laid down the policy for taking the vote, and they were to see how the vote was to be taken. I think the honourable gentleman is right: they only arranged to take 232,000 votes out of the 1,408,000.

Hon. Mr. BRADBURY: Does that remark apply to members of the Presbyterian Church, or to Presbyterians at large? On looking into the question, I find that there were only 369,950 members in the Presbyterian Church. Those are the people that vote, I presume.

Hon. Mr. REID: I was just coming to that point.

Hon. Mr. GILLIS: But the adherents vote as well.

Hon. Mr. REID: What are called the members are those who are communicants, but there are others who are called adherents. They are members of the Presbyterian Church as well as those who are communicants, and therefore they have, or should have, the right to say whether their religion is to be taken from them and they are to be put with another denomination. In addition to that, who is it that carries on the work of the Church? It is not only the communicants. The adherents pay just as much as the communicants, perhaps a great deal more, and of course they should and must have a right to vote.

What we have urged is that another vote be taken now. Why should not the General Assembly of the Presbyterian Church have taken a vote in 1924 of the congregations throughout Canada? A vote could be taken in two or three weeks from the date this Bill was first introduced in the House. If they had called for such a vote. We would have had the figures up to date as to the percentage both for and against the Union of the Presbyterian Church with the other denominations. That vote would have been taken after the war, when the minds of the people were settled, and when they were in a position to deal with this matter in a fair and reasonable way. It must be remembered that the only vote was taken nine or ten years ago. Surely Parliament is entitled to the latest up-to-date information that it is possible to get when a Bill of this kind is presented; yet we have been refused this vote by the General Assembly.

Let me show how this vote in the General Assembly works out. The clergymen go to the General Assembly, and I know case after

case where a congregation voted in 1915 against union, and to-day the opponents of union are stronger than they were at that time; yet their clergyman goes up and votes at the General Assembly for union, and represents that congregation as a supporter of union. I say that is most unfair and unjust.

The General Assembly of the Presbyterian Church, of which I am a member, should have taken the members of that church into their confidence, especially as it is almost ten years since they took a vote, and thousands upon thousands of people have passed away since that time. Surely we were entitled, before this Bill was presented, to have the votes taken of all Presbyterians, who are now in membership. There must be 100,000 or 200,000 additional Presbyterian voters now—young people who in 1915 were from 10 to 15 years of age, but who are now from 27 to 30 years old, many of them with families grown up; yet these people are not to be allowed to say whether they wish to go into this church union or not. Is that fair? Is that reasonable? Is that just?

Hon. Mr. ROBERTSON: May I direct my honourable friend's attention to the fact that they will have an opportunity of determining whether they desire to go in or not.

Hon. Mr. REID: The honourable gentleman is absolutely in the right, but I will show him the difference in the method of voting. This Bill first makes me a United Church member—

Hon. Mr. ROBERTSON: No.

Hon. Mr. REID: Oh, it does. It votes us in, and then we can vote ourselves out.

Hon. Mr. ROBERTSON: No; that was what I pointed out to the honourable member for Halifax—that in another place the Bill was amended.

Hon. Mr. REID: If the honourable member states it correctly, it votes away all the property, at all events.

Hon. Mr. ROBERTSON: No.

Hon. Mr. REID: It votes bequests, and so on.

Hon. Mr. ROBERTSON: No.

Hon. Mr. REID: Now, as to the majority in the House of Commons in favour of this Bill—

The Hon. the SPEAKER: I would call the honourable gentleman's attention to the fact that he is not supposed to refer to the House of Commons.

Hon. Mr. REID: I beg the Speaker's pardon. But I can say that honourable gentlemen can read in the newspapers, as I have done, that there are 235 members of the House of Commons—or of another body in this country; and of those 235 members, 90 voted for it, and 58 voted against it—only 32 of a majority in favour of this Bill. Surely that majority is very small for such an important Bill—a Bill that is going to change the religious doctrines that have been taught at the mother's knee from the time Presbyterians were born, and that is going to put them into another denomination. When the minority against the Bill is so large, surely that is one reason why we should hesitate in passing this Bill. Just think: 90 people out of 235 in another place—not one-half of those who are in that body—say: "We are going to have Church Union; we are going to vote the Presbyterian Church out of existence." Not even half of the members voted for it. One-half of 235 would be 117.

The Hon. the SPEAKER: I must draw the honourable gentleman's attention to the fact that he has no right to refer to the matter in that way at all. He is still referring to what took place in the House of Commons, and I will read to him what Bourinot says about it:

> It is also a part of the unwritten law of Parliament that no allusion should be made in one House to the debates in the other Chamber—a rule always enforced by the Speaker with the utmost strictness.

Hon. Mr. REID: Of course I bow to the decision of the Speaker at once, but I was referring to a newspaper item. Any reference I make is to what appeared in the newspapers, as to how certain matters occurred in a body which I am not to mention in this House. I yield to the honourable the Speaker; but allow me to refer to these newspaper articles, as far as it is possible to do so.

Hon. Mr. MURPHY: Would the honourable gentleman allow me a question? How many Presbyterians did 60 of those votes represent?

Hon. Mr. REID: I was going to give the details that appeared in the press. Let me say that of those people that were assembled, as you can read in the press, 178 were from between Manitoba and Sydney, Cape Breton; yet out of that 178, where the majority of the Presbyterians live, 50 voted for and 53 against, and 75 did not vote at all.

Hon. Mr. DANDURAND: Honourable gentleman, I believe we must support the view expressed by His Honour the Speaker, Indirect statements and transparent allusions, such as the honourable gentleman is making

are not in order. One of the reasons why no comment should be made on what takes place in the other House is that it should be a matter of indifference to this House what opinions may be held by various groups in another Chamber. All that we must be interested in is the fact that a Bill comes from the other House, having passed that House, but we must remain absolutely free and uninfluenced in the judgment that we have to pass upon that legislation.

Hon. Mr. REID: I agree with the honourable gentleman; but does he dispute me when I say that honourable gentlemen can read tomorrow morning what appears in the press in relation to the House of Commons? As long as I have been a member of this House I have understood that reference can be made to anything that appears in the press. I trust I am not wrong in that.

The Hon. the SPEAKER: I had better read the rest of the quotation from Bourinot for the honourable gentleman's information. After the statement I read a short time ago, he proceeds to say:

> Members sometimes attempt to evade this rule by resorting to ambiguous terms of expression—by referring, for instance, to what has happened "in another place"; but all such evasions of a wholesome practice should be stopped by the Speaker, when it is evident to whom the allusions are made.

Now, it is quite evident that in his allusions the honourable gentleman was referring to the House of Commons, even though the statements appeared in the newspapers.

Hon. Mr. REID: I bow to the decision of the honourable the Speaker; but let me also add that I hope the rule will be carried out in future, because since I have been a member of the Senate not a day has passed but reference has been made to what has taken place in another part of this building. In view of this Bill before us being the most important that ever came before this House, does the honourable the Speaker rule now that I am not to be able to use in my argument any reference in the press to what has occurred in another place? Does the honourable leader of the Government now ask the Speaker not to allow me to do that?

Hon. Mr. DANDURAND: There is no question that the rule is very often abused, but when the Chair draws attention to the necessity of respecting the rule I think we owe it to the Chair to abide by his ruling.

Hon. Mr. REID: If that is the ruling Mr. Speaker, and if that is the desire of the honourable leader of the Government, that I am not to be able to explain to the Senate just what I have seen in connection with this matter, of course I must abide by your decision.

Hon. Mr. MURPHY: But you are not muzzled.

Hon. Mr. REID: Perhaps I might also ask the question now of the leader of the Government what position he is going to take in regard to the honourable gentleman who, in presenting this Bill, referred to what took place in the House of Commons. The honourable leader of the Government did not say to him, "You must not refer to that," but he allowed him to go through with everything. I want to ask him another question. The honourable gentleman who presented this Bill said that a Committee had been sitting in the House of Commons for weeks on this Bill, and that they had gone into it thoroughly before presenting it. I suppose I would be breaking the rule if I were to say that the report of the Committee was not adopted at all by the House; but I will not refer to the House at all.

Now, let me speak of the report of that Committee to which the mover of this Bill referred. I venture to say that there was not one member of this honourable body who attended the meetings of that Committee and heard the evidence that was given before it. I would like to know any member of this House who will stand up and say that he was there and watched all the proceedings. I defy even the honourable member who introduced this Bill to say he was in attendance at that Committee. He does not know anything more about its proceedings than I do, and I only attended two or three times, because I had to look after my duties here.

Then, again, the honourable gentleman said the report of that Committee had been submitted. I say there is not one Senator who has read that report. If there is, I would like him to stand up and say: "I have read all this evidence; I know all that has taken place in that Committee." Yet the most important Bill ever brought before Parliament is put in here, and we were expected yesterday to pass the second reading, put it in Committee and out, and make it law—railroad it faster than any other Bill that was ever presented to Parliament during my 30 years' experience.

Hon. Mr. MURPHY: Who said that?

Hon. Mr. REID: The honourable leader of the Government was willing that this Bill should go right on for its second reading.

Hon. Mr. DANDURAND: I beg the honourable gentleman's pardon. This Bill is not under my direction.

Hon. Mr. REID: The honourable member is directing it, and he controls the House as to what takes place. He is the one who directs the procedure of this House; therefore on him I place the responsibility of saying whether this Bill is to be railroaded through, or whether we are to be informed of its progress.

Hon. Mr. ROBERTSON: I think it is only due to my honourable friend the leader of the Government to say that there was no intention on the part of the introducer of this Bill to go beyond the second reading yesterday. The first reading was given, and certainly no harm would have been done by giving it the second reading, or at least discussing it, but nobody proposed to go on with it.

Hon. Mr. REID: Of course, the very suggestion that it go to a second reading shows that the railroading process was started just as soon as it got to this House. Here is an important Bill, but not a Senator knows anything about it; not one has told me of what he read in the press.

Hon. Mr. CASGRAIN: Speak for yourself.

Hon. Mr. REID: Well, I will speak for the honourable gentleman also. He did not stand up and say he was present at every one of those meetings, and he did not say he had ever read the evidence, and he has not even read the newspaper items on it. Yet, with a Bill of this kind, that it has taken years to bring to where it is, the honourable leader stood up in the House to-day and said that seven days from to-day he expected to have prorogation, although we have to deal with all the Estimates and many other Bills, and this Bill is to be railroaded through. I ask in all fairness, is that fair to the Senate? Every other Bill of importance has gone to a private Committee, and they have inspected it, and I believe there has not been a Bill that ever went to a Committee that did not come back amended and improved. Is this Bill not to have the same justice as those other Bills that I have mentioned? First let me say that the honourable gentleman who introduced the original Bill said it was not to come into force until 1926.

Its promoters were willing that two years should elapse. It struck me when I read of it that the purpose was to have more time and make a further effort to reconcile those who were in the minority. Those who had been fired out of their own church and put in with a lot of others were to be given a chance to become reconciled. But when it got to the House of Commons—

Some Hon. SENATORS: Oh, oh!

Hon. Mr. REID: In the Bill as it reaches us in the Senate the date has been changed from 1926 to June 10th, 1925. The opponents are not to have as long to reconcile themselves to the change as they would have had if the original proposal had been submitted.

But even if the time allowance has been reduced, is there any need for hurry? This Bill is to be taken to the courts, in order that it may be determined whether the Dominion Parliament has a constitutional right to pass it or not. It may turn out, after people throughout this country, whether in the minority or in the majority of the Presbyterian Church, have been excited over the proposed great change, that Parliament has no power to make it. It may be that a Bill of this kind comes under provincial rights. This Bill comes to us seven days before prorogation. On two of these days, Saturday and Sunday, we do not sit. These and the day of prorogation reduce the time at our disposal to about four working days. In this period we have to consider all the Bills that are coming from the House of Commons and we have to deal with all the Estimates coming before us. Is it an unreasonable request to ask those who are pressing this Bill to go slowly?

Let all the 1,408,000 members of the Presbyterian Church, or, apart from the 242,000, let the other 700,000 Presbyterians see this Bill. Let this House say, in all kindness, to all of these congregations: "You do not want this Bill to come into force in 1925. Parliament will meet, without a doubt, in January or February next. Come back here then and the Senate will take up this Bill, appoint a Committee to examine it, just as we have done with every other Bill presented to us, and do it justice. In the meantime, in order to create harmony in the Church, to give everyone a fair show in regard to his religion, take a vote on this question among your own members and when you come back show us that there is not a mere majority, but an overwhelming majority in favour of the proposal. Then we shall be in a position to act."

The honourable gentleman who presented this Bill said that the General Assembly decided that a vote should be taken, and that if a bare majority carried it, this Bill should be put through. The reason he gave was that members of Parliament, of Legislatures, of Municipal Councils and other public bodies,

have power by law to decide questions even by a majority of one. It may be all very well for the General Assembly to say that, but when you come to deal with a man's religion and say that he shall no longer have a right to hold the doctrines which he has been taught, it should require a majority of more than one, and we ought to go slowly in this affair.

The preamble of the Bill says that this is a petition from the Presbyterian and other churches. I take issue with that statement. Honourable members are led to believe that there is a unanmious petition from the Presbyterian Church. According to the honourable gentleman's own figures, the vote against union and the number of members who have not voted at all are so large that I say the preamble does not state the fact regarding this Bill.

Let us now consider section 3. This cancels all Acts of incorporation, whether passed by this Parliament or by any of our local Legislatures. Surely that is going a long way. By passing this Bill the Dominion Parliament would say, as I understand, that any Provincial Acts whereby Presbyterian denominations have been incorporated are wiped out. It would further take away all bequests made to the Presbyterian Church, and these would be vested in the United Church. The Dominion Parliament may have that power, but I doubt very much that it has, and I think it is unfair to cancel legislation enacted by provincial legislatures. At all events, the Province of Ontario, which contains a large number of Presbyterians, the greatest percentage of them, has refused to pass a Bill of this kind. The provinces with the largest population have not yet passed the Bill.

By clause 4, as I understand it, clergymen are all made members of the United Church of Canada. Of course they have the right to declare that they will minister to some other congregation. Now, take a case of this kind. Suppose a congregation by majority vote decide to stay out of this Union and desire their clergyman to remain with them. He cannot remain unless he votes himself out of membership in this United Church, and he must do this even though he may remain with the congregation only a few years and may then wish to go to some other congregation. Congregations that have been Presbyterian in the past are wiped out, and he cannot go and minister to them.

There is another point. Suppose that in a particular congregation there are 500 members, and that 251 of them say, "We are going into the Union," and 249 say, "We are not going into the Union." According to this Bill, if I understand it, all the property, including bequests, that is owned by that particular congregation is vested in the United Church. A Commission is appointed to say how much of it shall be given to the minority.—No; I am wrong: there is no Commission appointed in that case at all. The 249 may go where they like.

Hon. Mr. ROBERTSON: May I state to my honourable friend that in that case the property continues to be owned by the congregation. It is not transferred at all to the Church as a whole.

Hon. Mr. REID: It is owned by the congregation. It is vested by this Bill in the United Church of Canada. That is how the congregation will be known afterwards. It may be owned by the 251 members, but they can vote to do as they like with it. The 249, who perhaps were the members who paid for the church, have nothing more to say about it, but must go somewhere else—to another church.

Hon. Mr. ROBERTSON: They do not have to.

Hon. Mr. REID: They do not have to? Well, what are they going to do? Are they going to be atheists? How are they going to practise their religion?

As I have stated, all property, including bequests and trusts, much of it in the hands of trustees, will be transferred to the United Church of Canada. According to this Bill, a bequest made to the Presbyterian Church, be it large or be it small—if it is in the hands of, say, a trust company—automatically goes to the United Church. Does any honourable member think for a moment that in a case of that kind the property would be handed over by the trust company to the United Church? There would be hundreds of law suits over such bequests. The trust company would say: "This was willed to the Presbyterian Church. Parliament has closed the doors of the Presbyterian Church." And the heirs will come along and say: "This property belong to us." It may not, but there will be law suits just the same. There will be law suit after law suit, with enormous expense and great annoyance to those who are interested in these church matters.

There is one thing that the Unionists have generously offered. If a minority of 249 in a congregation of 500 say, "We are going to have a church of our own," they say: "You

may call it Presbyterian but you may not use any other word but that and you cannot get a charter for a Presbyterian Church; otherwise you would be conflicting with this legislation." And the representatives of the United Church would come to Parliament and say: "You have voted the Presbyterian Church out of existence. Surely you are not going to give a charter to those who now wish to start a Presbyterian Church"—a minority who hold the same doctrines as they themselves had been teaching for so many years.

Hon. Mr. ROBERTSON: May I point out to my honourable friend that the Presbyterian Church to-day is not incorporated, and therefore there would be no change in this respect for those who continued outside the union.

Hon. Mr. REID: Very well. I will answer that in two ways. If there is no charter to-day, why is it that by this Bill the Unionists are taking the right to cancel many charters of the Presbyterian Church? Again if some of their organizations are not incorporated, why are you putting into this proposed law a provision that they cannot get a charter or become incorporated? We may be told that a congregation can have a church and engage a clergyman to carry on its religious teachings as in the past; but you cannot start a congregation in some other place and call it Presbyterian. This Bill limits you to the congregations that are already in existence.

Let me ask members of other denominations how they would feel if they went on Sunday to their church and found that its name had been removed. How will the hundreds of thousands of Presbyterians feel who have been going Sunday after Sunday, year after year, to their particular church, and who find the notice taken down and the name of some other church put in its stead? Remember, people are very sensitive about their religion, and I think, as I have already stated, we should proceed slowly in this matter.

The Bill also takes in all the colleges. They also must come into the Union; and all who are made members of the United Church must pledge themselves, if they do not vote themselves out, to be subject to the doctrines that have been practically made by this Parliament. This is the first time I have ever seen in any country a Bill whereby Parliament, composed of men who are not of the same religious faith, would vote for a certain set of doctrines, made by several churches, and declare that you must subscribe to them whether you like it or not, or else you must vote yourself out. Of course you do not have to subscribe if you want to vote yourself out and be left out in the wilderness. You are confronted with this choice: you have either to say: "Yes, I will follow the doctrines that have been laid down here by Parliament, and not by the members of my own church, and I will be a member of this denomination"; or else out into the wilderness you must go.

Clause 15 has been ingeniously drawn so as to cover all the bequests. I would like honourable members to read that clause to see how ingeniously it deprives all congregations of bequests and provides that these shall go to the United Church. It is left to a commission to say whether you are to get any of it back again if you happen to be in the minority. The minority gets nothing, but a commission of a congregation may by a majority vote itself out of the Union.

The proposed legislation goes further: it provides that property outside of Canada that happens to be in the name of the Presbyterian Church—that is, bequests, I suppose—must also belong to the United Church. This will result in complications and lawsuits in other countries. Every clause of this Bill will make for complications—will cause an uproar almost a rebellion, in the Presbyterian Church in the Dominion of Canada. I mention that to show honourable gentlemen how important this matter is not only to members of the congregations, but to the citizens of Canada.

Subsection c of clause 28 is a very important one. It gives power to the members of the General Assembly of the United Church of Canada to make it the state church in any province. I defy any man to dispute that. Honourable gentlemen will remember some of the votes in some of our provinces under which the minority had to suffer. I have always sympathized with minorities, and have done everything I could to see that they were protected. Here is subsection c of section 28:

> That the United Church by virtue of its independent and exclusive right and power to legislate in respect of the matters mentioned in the next preceding subsection has the right to unite with any other church or religious denomination without loss of its identity upon such terms as it may find to be consistent with the principles, doctrines and religious standards set forth in the Basis of Union, or any amendment thereof made by the General Council under the provisions of the Basis of Union.

Probably that may not matter at the present time; but this is a young and growing country. As I have said, we have had troubles in some of the provinces in the past, and it may be our turn next, if it is left in the hands of any particular body to say that they are going to take in this denomination or that, even though practically a majority say they

do not want to come in. That is a tremendous power to give to any body. The powers in this Bill and the troubles that will be involved in carrying it out in order to unite the people are such that we—the 90,000 as against the 142,000—can come to this House and say: "You are independent politically, and in a position to deal with this matter as your consciences dictate; no political influence can be exerted on you; give us a hearing and do not railroad this Bill through in a day or two."

In this House we are a minority. According to our own records we have in this House some 19 Presbyterians and 77 of other denominations. Nineteen Presbyterians, and divided! I do not now know in what proportions the 19 are divided, but possibly in the proportion of 90 to 142. Our rights are in the hands of the 77 members of other denominations. All I ask is that you vote conscientiously according to what you believe to be right; vote as if this were your church, and as if you were being voted into some other denomination—not to destroy the Bill or to take away the opportunity of passing it, but as though you were coming to me saying: "Those who are trying to destroy us and take away our religious liberty give us a year.' I say to you, give us time to take up the question with our congregations, and let us find out whether the statements that are made are correct, and whether there is a majority in favour of this Bill. Give us an opportunity to come before you to discuss this matter, and deal with it fairly. Do not railroad it through without having heard our side of the argument. I implore you again to show that you are going to deal with this Bill as you have dealt with others; give us the same treatment that is accorded to others. We ask no favours; we simply ask you to give us the rights to which we are entitled."

Surely you are not going to close the Session within four days; surely 77 members of this House are not going to say to me, whether I am with the majority or the minority: "No, we will give you no right; we will put this Bill through without hearing any evidence, and may you go into the United Church or into the wilderness, whichever you please." That in my opinion is not British justice. It is not what would be done in any other country in the world. That is not what we are here for. We are here to deal with these Bills on their merits, not to drive them through and cause unrest and disruption throughout the Dominion of Canada.

If this Bill passes this House, that will not be the end. It will be only the beginning of a great fight in the Dominion of Canada. Yet, if you give time, if you consider it fairly, in my opinion you might get this Bill through in such shape that justice would be done to all and no disruption would be caused in this fair Dominion such as would prevent its future development to the fullest extent.

As I have said, the question of Church Union has created a great deal of discord in the homes and in the churches and in the political organizations of Canada. Someone has said that 369,000 members are all who are entitled to vote. Those are only members, not adherents. But even so that is 100,000 or 150,000 more than voted in 1915. Give them a chance to say whether they are to be railroaded out of existence or not.

It has been said that there is practical unanimity. Here is a letter that appeared in the Toronto Mail and Empire on Saturday, July 5, which gives an example of what I say is happening and will happen if you pass this Bill without giving it the consideration to which it is entitled. It is a letter signed by Malcolm A. McKay, Secretary Presbyterian Church Association, Port Arthur Branch. What does it say? It is a long letter, and I will quote just a few clauses:

> For Christians who differ on questions which some of them hold to be of vital importance, it is surely better to admit the impracticability of corporate union than seek to compass such a union at the cost of sacrificing cherished convictions.
>
> The proceedings of the Lambeth Conference clearly show that the Anglican Church throughout the world will not anywhere sacrifice its standards for the sake of so-called union or become a creedless church. The Anglican Church in Canada have wisely not allowed this question to be seriously considered by their synods or by their members or permitted it to become "Satan's imp of discord" in their church family. The Most Rev. S. P. Matheson, Primate of Canada, in Toronto, on the 25th of November, 1923, stated:
>
> "What we need most, and what will help most in bringing about a united body of Christ upon earth, is a kindly, brotherly, and a warm fellowship among all those who claim the name of Christ."
>
> "Loyalty to one's own church need not mean antagonism and opposition to others. To my mind fellowship, and the cultivation of kinder relations in the meantime, and not short cuts to hurried unions, will be in the end the shortest and surest road to a genuine reunion."
>
> After a great deal of friction and discord "Union" has been dropped in Australia, South Africa, New Zealand and the United States.
>
> 7. With the battle raging in the United States over modernism in many of the Protestant churches, it is a most serious responsibility for the Parliament of Canada to "scrap" the standards of the Presbyterian Church in Canada, under the guise of "Union," and destroy this historic church, more especially when there is grave doubt, if twenty per cent. of the members of that church would vote for so doing.
>
> Where is the guarantee of civil and religious liberty if this can be done? Under the written constitution of the United States it could not be done. There the negro and Chinaman are absolutely secure from all interference with their religion and private property.

The Protestant and Catholic Churches in the United States have carried on their important work very satisfactorily without requiring any enabling legislation of the nature of the union bill, which would be ultra vires there, and it is confidently submitted that it would be a very grave blunder to create a precedent in Canada for this type of dangerous legislation, which is alien and contrary to the very spirit of the British Constitution.

At the last General Assembly held there were some laymen present. The business was rushed through and the Assembly was just closing. A very prominent man there, a layman, Judge McKay, had an amendment to offer, but they could not wait to test it. Of course, the clergymen control the General Assembly. Here is the amendment:

That this Assembly deeply deplores the probable disruption of the Presbyterian Church in Canada and earnestly desires that all ministers and congregations should from time to time hold congregational meetings to seriously consider and discuss the possibility of avoiding such a sad calamity.

That expresses the feeling of the laymen. Surely we are not going to treat the opinions of those people as if they were a scrap of paper. This is a very serious and important matter, honourable gentlemen, and I hope and trust that this House will give it serious consideration. Do not let our desire to close up the House and get away within four days cause us to shove this Bill through and vote all these people out of their religious convictions. If you do that, instead of this country prospering as we all want it to do, we may find ourselves confronted with some of the troubles that we have experienced from 1896 down to the present time in cases of this kind.

I am only one, but I am making this appeal in the interest of harmony in this our fair country. I am anxious that we should have no further trouble. The Bill has come to this House from the other House, where 40 members from the West voted one way, while 50 members from the East voted the other. This is one of the most unjust Bills that has ever come to this House, and if a majority of this House, a majority of the 77—because even they must be pretty well divided—vote it through, what is going to happen? They will be saying. "You have been a Presbyterian—and 90,000 as against 142,000 are in the same position—but no longer are you entitled to your rights as a Presbyterian Church; your organization is disrupted; we have cancelled your charter and taken away your bequests." But remember that, although you may do that, these men are not going to sit down and say: "You have taken away our religious doctrine; but it is all right." They will do as minorities have always done, and will fight for justice—and justice must prevail in a good cause.

Hon. L. C. WEBSTER: Honourable gentlemen, the Bill now before us and which I have the honour to second and support, has been so completely argued and discussed in another Chamber and in other places that it does not seem necessary that I should offer any extended remarks.

Perhaps no other question has been the cause of such interest and concern as Bill 47, an Act incorporating the United Church of Canada. I feel, honourable gentlemen, that this Bill should be fully and fairly considered, and that earnest attention and the necessary time should be given properly to consider every clause. I do not agree with many of the statements made by the previous speaker (Hon. Mr. Reid). It would be a monotonous world if we all agreed religiously, politically and otherwise; but I think I am safe in saying that the majority should govern in all matters that are brought before us, whether civil, social, or political.

The last speaker spoke, I presume, almost entirely on behalf of the minority of the Presbyterian Church, and rightly so. He knows more about that condition than I do. But may I just point out that the Bill as presented here to-night is a Bill which affects three large denominations in the Dominion of Canada, and is not restricted to only one.

I listened to the remarks of the senior senator from Halifax (Hon. Mr. Roche), who. I think, stated that John Wesley would turn over in his grave if he were present to-day and heard the discussion on this Bill. I have no authority to speak for John Wesley, but, knowing as I do the life and history of that great evangelist, I would say that if he turned over in his grave it would be to lead the Uniting Churches of Canada in the great movement that is now taking place. Honourable gentlemen will remember the saying of John Wesley: "The world is my parish."

I appreciate fully the traditions, the sentiments and the views that have animated all those interested in this question, but such sentiments and traditions do not, by any means, apply to merely one denomination. Only a few weeks ago I attended a church service in Quebec city at which I was told of the noble men and women who had stood faithfully and firmly by their own church, which dated back some hundred and fifty years. The Methodist Church of Canada, through the instrumentality of an early military British subject, planted the seed of the first society in Lower Canada, which has since shown a remarkable growth all over this country.

Hon. Mr. ROCHE: May I ask the honourable gentleman a question? Did he ever read

the controversy between John Wesley and Rev. Augustus Toplady on those subjects?

Hon. Mr. WEBSTER: No, I must confess that I have not read all the controversy affecting John Wesley and his time.

I was also informed of those devoted men who built their first church at considerable sacrifice, and of their continued faithful adherence to their denomination. This loyalty is still exhibited to-day by their descendants. Yet these people are prepared to give up pride and denominational ambition and are willing to co-operate and contribute their past experience to the common good of the United Church of Canada. This spirit is common to all three negotiating churches.

There are some in that congregation to-day who are not in favour of Union, but who are yet prepared to take a broad view of this question, looking to the future rather than to the past, and who are willing to join with the majority in this great movement. I felt that the very stones of this old Quebec church were sacred to the memory of those who had passed away, and who had contributed so much to the political, commercial and religious life of our country. To their descendants it was no small matter to brush aside the past and join with other denominations. Yet they were willing to do so, as this Church Union movement was by them considered in the best interests of Canada.

In the old City of Quebec, where harmony, justice and peace reign, there are only some 5,000 Protestants in a population of about 120,000; yet there are nine Protestant churches in that city, and none has a large congregation. May I just add a passing word to the people of Quebec in acknowledgment of the fair and just treatment and consideration in all matters, religious, social, educational and otherwise, by a majority speaking a different language and of another religion?

Time will not permit me at this moment to do more than merely touch on a short description of the heroic work carried out in Canada by the Presbyterian, Congregational, and Methodist Churches. The history of the great Presbyterian Church needs no lengthy comment. My ancestry is Presbyterian. My father was a member of the Presbyterian Church in Scotland, and naturally I have the warmest feelings towards that great historic church. From 1875 to the present time is the period of the greatest growth of the Presbyterian Church in Canada, and the record is one of which any Church may be proud. In 1876 there were 88,228 communicants; to-day there are 369,939. But it is not in the mere increase in numbers of the Church alone that Presbyterianism may rejoice, but in its active spiritual and missionary zeal. In 1875 there were already 20 men in four different mission fields. To-day their foreign mission staff numbers 323 in ten fields, with double that number of native workers, and 709 churches, 347 schools and 17 hospitals. The revenue for foreign missions has grown to $513,626. The work in the Canadian West during this period is one of the greatest achievements of the Presbyterian Church, for it has to-day 2,228 preaching stations, with 622 ministers, and a church membership of about 92,000.

Methodism also has a record which rivals that of Presbyterianism in its growth at home and in foreign fields. In 1883 there were 69,803 members in the Methodist Church; in 1921 there were over 407,000 members. The missionary activity in the Methodist Church of Canada was almost simultaneous with a Union movement in the Methodist Church. This year the Methodist Church celebrates the 50th anniversary of its work in Japan and China, and can proudly boast of having 23 mission stations in foreign fields, with a staff of 543. The revenue for foreign missions to-day is $609,000. Similar progress and growth have taken place in the Canadian West, so that to-day the Methodist Church is known as one of the foremost missionary churches.

The Congregational Churches trace their inception to the Puritans, as the Presbyterians do their church to John Calvin and the Methodists, theirs to John Wesley. The Congregational Churches rose into existence as a protest against state interference and ecclesiastical tyranny. Their motto from the first has been, "Liberty of conscience and the right of each congregation to shape its own creed and policy." Thus the Congregational body is sacrificing more than either Presbyterianism or Methodism, because in the future each Congregational Church will be only a part of an organized whole, and will not be a separate autonomous unit. Although not as large as either the Methodist Church or the Presbyterian Church, the progress of the Congregational Churches has been steadily upwards since 1830, so that last year they had a membership of 12,762, a Sunday School force of 11,132, and real property and endowment valued at $2,701,917. Their total givings for Christian work last year amounted to $329,000.

There have been in the Congregational Churches two union movements, uniting three bodies; in the Methodist Church eight unions,

uniting sixteen bodies; in the Presbyterian Church nine unions and seven absorptions, uniting twenty-one bodies; so that the three churches now uniting to form the United Church of Canada really represent forty different bodies. As we have acquired the union habit, let us consummate the Union of these three great Churches, and others may follow.

In the past, on several occasions, the Parliament of Canada granted Acts of Union without debate. By consulting Hansard concerning the Bill respecting the Union of certain Methodist Churches therein named, in 1884, you will find that no debate occurred either at the first, the second or the third reading. The petition in opposition did not appear to have influenced the decision of the House. In the Senate the Bill was treated in the same way.

Perhaps it may be thought that Methodism was unanimous in desiring the legislation incorporating the United Church, but the facts tell us otherwise. There was a very determined opposition within the Methodist Church which united in 1883. The London Conference of the branch known as the Methodist Church of Canada voted strongly against it, the total vote of the Conferences being 365 for, 258 against, and no provision was made for minorities. If we lift the veil of years we will find in the newspaper correspondence of the day such vitriolic expressions as: "Persecuting and aggressive proceedings," "Vile attacks upon the character of ministers," "Letters of biting sarcasm," and "Sharp arrows dipped in gall." But when the contest was over, people came to themselves, and there is now no dividing line visible within the Methodist Church. The amalgamation is perfect and the spiritual unity is complete.

Again, in respect to an Act to incorporate the Ruthenian Greek Catholic Episcopal Corporation of Canada, which was passed in 1913, there was no discussion whatever, although this Act affected 100,000 people. On the second reading of the Bill in the Senate, Hon. Mr. Lariviere explained its terms. He said that in the Roman Catholic Church there are two or three branches outside of what is called the Roman Catholic Church proper, and that the Greek Church belongs to Rome. He stated that the Bishop desired that these people should be constituted a corporate body, having civil powers as well. They did not ask for special privileges, but only desired to possess property in the same way as other corporations. At that time the Hon. Mr. Power said:

> Whatever our politics have been, we have gone in for free trade in religion and we have all sorts of denominations applying here for incorporation so as to enable them to hold property, each denomination for its own purposes. There has never been any question raised. We do not give the Bishop any special power whatever. We simply enable him to hold property these people may require for church purposes, that is all. I fail to see any objection to it myself.

The motion was agreed to, and the Bill was read the second and the third time without debate.

This, honourable gentlemen, is simply an example of an incorporation of a Church which has since flourished and prospered. At the time of its incorporation the Legislature realized its importance, and readily gave assent to what was asked.

About 1887 a conference of Churches was held to discuss the possibilities of Church Union, and since that time an increasing amount of attention has been given to the problem. Several Churches at that early date appointed standing committees on Church Union. A brief history of the movement in the negotiating Churches is printed with the Basis of Union, at pages 21 to 36 inclusive. Definite negotiations for Union originated in 1899 in the appointment by the General Assembly of the Presbyterian Church in Canada of a Committee to confer with representatives from other evangelical churches to improve conditions in home mission fields, where there was unseemly rivalry and a waste of men and means. Committees from the Methodist and Presbyterian Churches met three times to discuss co-operation in this work.

It was at the General Conference in Winnipeg in 1902 that the present movement was further considered. That Conference was known as the great Missionary Conference of Methodism, at which the present form of missionary superintendency was inaugurated. The proposition to appoint missionary superintendents aroused the Conference to great enthusiasm, and while this was at its highest point the fraternal delegation from the Presbyterian Church, composed of the Rev. Dr. Bryce, Rev. Principal Patrick, and the Rev. C. W. Gordon, better known as "Ralph Connor," was introduced to the Conference. Dr. Patrick in the course of his address was inspired to fling out a challenge asking if it were not possible, in view of the great demands upon the Church in the mission fields, to bring about more intimate relationships amongst the Churches, even to the point of organic union. This challenge was accepted by the Conference, and a Committee, consisting of the General Superintendent and fourteen others, was empowered to confer with similar Committees that might be appointed by the other Churches.

In 1904, the other Churches having taken action along similar lines, the Committee was enlarged to sixty, and in December of that year committees representing the Methodist, Presbyterian and Congregational Churches assembled in Knox Church, Toronto. The question for discussion was: "Are there insuperable difficulties in the way of the organic union of these three Churches?" After a very earnest discussion, five Committees were appointed to study the question from various angles of vision, and to report a year later.

In 1905 these Committees reported, and were again instructed to continue their investigation for another year. The same course was pursued in 1906 and 1907, and in December of 1908 a Basis of Union was presented to the full Committee, and accepted by unanimous vote.

The matter then passed on to the Courts of the Church. It was reviewed by the Methodist General Conference in 1910, and the Basis of Union was adopted by a practically unanimous vote. It was then ordered to be submitted to the Conferences and the district meetings, and if opinion in these bodies was sufficiently favourable, it was ordered to be submitted to the various congregations. This was done in the year 1912, and a very large majority of the members and adherents of the Methodist Church heartily endorsed the movement.

A similar course was taken by the Presbyterian Church. In the General Assembly of 1910 a resolution was adopted expressing approval of the Basis of Union and ordering that all documents pertaining to Union be transmitted to the Presbyteries for their judgment under the Barrier Act, and the Presbytery clerks were instructed to report in May, 1911. The Assembly of 1911, in view of the large majority of Presbyteries being in favour of the Union, sent the question down to the congregations, with the result that a very large majority of the membership and adherents of the Church expressed approval of the Union. The minority in the Presbyterian Church was perhaps larger than that in the Methodist Church, and the General Assembly decided to wait and see if it were not possible to bring about a more favourable disposition amongst those who were opposed. Some slight changes were made in the Basis of Union, which was again submitted to the Presbyterian congregations in 1915. It will be interesting to read the actual ballot that was submitted to the people:

> Are you in favour of Union with the Methodist and Congregational Churches of Canada on the Basis of Union approved by the General Assembly of 1915? Yes. No.

A note was attached to the ballot stating:

> The people are reminded that the decision on this question must be reached on the basis of the votes cast.

Here again the majority in favour of Union was decisive: 106,534 voted for and 69,913 against.

The Assembly of 1916 by a vote of 406 to 90 passed resolutions committing the Church to the carrying out of the policy of organic Church Union, but decided that no further steps be taken until the Assembly following the end of the first year after the close of the war. This brought the question down to the Assembly of 1921, which met in Toronto, and which by a very decisive vote instructed the Union Committee "to take such steps as may be deemed best to consumate organic union with the Methodist and Congregational Churches as expeditiously as possible."

The General Assembly of 1922, which met in Winnipeg, received the report of the Committee, and, reappointing that Committee, instructed them to arrange for a standing committee on Law and Legislation to consider and report on the legislation necessary to give effect to the union of the negotiating Churches, and to prepare copies of the proposed Bills to be submitted to the Parliament of Canada and to the various Legislative bodies.

That was done and the whole matter came for official decision before the General Assembly of 1923, which by a vote of 427 to 129 decided to proceed at once to secure the legislation and to consummate the Union. In 1924 the vote was 427 for and 96 against.

The Congregational Churches from the very first were practically a unit in the Union movement, and have steadily and consistently supported it. At present 96 per cent of the individual congregations have expressed in writing their willingness to enter the Union.

A Committee of 100 was appointed by the three Churches at the last sessions of their highest Courts to further consider the legislation and make arrangements for its submission to the Provincial Legislatures and to the Federal Parliament.

It has been submitted to seven Provincial Legislatures. By five of these it has been adopted with little amendment; in Prince Edward Island it is still in abeyance; and in the Province of Ontario, because of certain amendments which were introduced, it was deemed advisable by the Committee in charge to withdraw the Bill pending action by the Federal Parliament.

This Union is necessary if we are to keep pace with the increase of population over the

Dominion. We are receiving annually large quotas of non-English-speaking people. In the majority of cases these people are settling in our larger cities, where they have naturally become segregated, with the result that sometimes it is difficult to maintain those high standards of living which are essential if this country is to be maintained as a Christian country. It is impossible for any one denomination to overtake this work; in fact, it presents a problem that, if not solved by the Church will speedily become a menace to our country. The basis of all true nationality and citizenship is religion.

As I do not wish to weary the House with the figures, with which you are perhaps more or less familiar, I would ask permission to have a consolidated statement of the standing of the three united churches, as here prepared, included in Hansard, without taking up your time to read it in detail. I would point out that the figures that have been given here this evening agree with those I have secured. The Congregational population, according to the Dominion census of 1921, is 30,574; the Methodist, 1,158,744; the Presbyterian, 1,408,812; making a total of 2,598,130.

CONSOLIDATED STATEMENT OF THE STANDING OF THE THREE UNITING CHURCHES

—	Congregational	Methodist	Presbyterian	Total
Population, Dominion Census 1921	30,574	1,158,744	1,408,812	2,598,130
Number of members	12,762	407,264	369,939	789,965
Percentage of population in membership	41·74%	35·15%	26·25%	30·40%
Ministers in Circuit charges	69	1,659	1,415	3,143
Sunday School scholars, including cradle roll and home dept.	.....	427,570	358,020	.....
Sunday School teachers	.....	43,334	34,922	.....
Total Sunday School force	11,132	470,904	392,942	874,978
Givings last year	$ 329,821 00	$ 9,209,276 00	$ 9,187,512 00	$18,726,609 00
Average giving per member	$ 25 84	$ 22 61	$ 24 84	$ 23 70
Ministers' stipends raised by circuits or charges, exclusive of parsonage or manse	$ 113,000 00	* 2,520,282 00	2,768,150 00	5,401,432 00
Woman's Missionary Society	15,145 00	427,206 00	435,008 00	877,359 00
Real property value	$ 2,189,000 00	$57,067,429 00	$†40,000,000 00	$99,256,429 00
Value of endowments and reserves: (Colleges, pensions, missions, etc.)—				
Colleges	138,064 00	2,739,437 00	1,623,184 00	
Deaconess Training Schools	.....	80,000 00	.....	4,580,685 00
Superannuation, permanent fund	113,115 00	2,278,477 00	1,919,317 00	4,310,909 00
Missionary legacies	261,738 00	552,296 00	725,573 00	
Woman's Missionary	.....	123,200 00	.....	1,662,807 00
Total value real property and endowments	2,701,917 00	62,840,839 00	†44,288,074 00	109,830,830 00
Debt on all real property, 1922	.....	3,761,739 00	4,075,461 00	.....
Total value real property and endowments less debts	.....	59,079,100 00	†40,212,613 00	.....

*Married Presbyterian and Methodist ministers invariably have a parsonage supplied or their rent paid.
†Estimated.
Besides above there are unexpired assets in the Missionary and other Departments.

These figures which I have just presented to you I obtained, as far as I was able, from unbiased sources in order to show you that from a financial point of view the advantages of this organic union, as far as the Presbyterian Church and the Methodist Church are concerned, would be almost equal, and would bear, if anything, in favour of the Presbyterian Church.

If we now take a very hasty survey of our western situation and of the course taken by the churches during the last few years, we shall see the necessity for organic Church union, and its acceptability to the people is shown by the fact that already, in 1,245 pastoral charges scattered throughout the Dominion, which include over 3,000 preaching stations, union has practically been consummated in the form of independent Union Churches, or of co-operating churches, or of churches formed by the delimitation of territory. All this movement has been car-

ried on with a distinct understanding that it was only preliminary to the inauguration of the larger movement of definite organic union. It is necessary that we keep faith with the churches and with the ministers who have thus seen their way clear to form united causes. These steps were taken with the distinct understanding that Union would be consummated in the not too distant future.

Under the actual conditions in our older fields, in small villages with a population of anywhere from 400 or 600 to 800 it is not an unusual thing to find the representatives of three or four churches preaching to congregations numbering from 25 to 50 people, congregations utterly unable to support their ministers and consequently making very heavy charges upon the missionary funds of the respective Churches. That four ministers should be found preaching on Sunday in a village where there are not more than 400 people, can scarcely be considered anything short of a crime, while out on the frontier lines of the West, in the southern part of Saskatchewan there are over 300 school sections where there is no religious instruction given under the auspices of any minister.

In connection with Church union it is interesting to review the work of the Affiliated Theological Colleges in some of the University centres in Canada. This question was touched on by a previous speaker. I am perhaps more acquainted with the situation in the city of Montreal. For some years now the Anglican, Presbyterian, Congregational and Methodist Colleges have joined forces in the teaching of their future ministers. Although some of their minor studies are carried on separately, we find that many of their major studies are taken together. For example, a Methodist professor, Dr. Gifford, lectures to students of all the Protestant denominations on Church History, while a Presbyterian, Dr. Welsh, instructs them in the Philosophy and Psychology of Religion. Dr. Rexford, an Anglican, and a Congregational Minister, Dr. Ritchie, conduct the teaching in other subjects. Thus a study of the colleges in Montreal has shown to us two things: first, that the studies of the future shepherds of the flock are very similar in all respects, and also that these colleges have worked in a state of union which has become more perfect every year since its formation.

This Church Union movement is not a political movement. It is not a commercial movement. It is a movement of an entirely religious and spiritual nature; and, in coming to the Parliament for legislation, the churches are not asking Parliament to adopt any creed, to determine any form of church government. Creed-making belongs to the Church itself and the form of church government must always be determined by the Church itself. These three Churches, through the action of their highest courts, have decided by such large majorities as would commend themselves in any other application for legislation, to come to this Parliament simply for incorporation and the recognition of their civil rights. Having agreed amongst themselves upon a Basis of Union, they have come to ask Parliament to endorse their action, and there would seem to be no other course for Parliament to pursue than to accede to their wishes. Any suggestion of coercion has been entirely removed by the amendment to the Bill which defers the bringing of the Bill into force until next June.

Hon. Mr. REID: May I ask the honourable gentlemen, then, what answer he would give to the proposal that in order to create harmony the Bill should stand over in the meantime and the vote be taken?

Hon. Mr. WEBSTER: I would answer my honourable friend by saying that I think more harm than good would be done by adopting that course. The Bill permits any dissatisfied congregations to express non-concurrence before the Bill comes into force.

In reply to the statements put forward by Counsel for the minority in regard to the property rights of a portion of a congregation or the gifts of any previous benefactor, I might say that it would be impossible to discuss Church Union at all if every dissenting vote throughout Canada had to be looked into and if it were necessary to consider the intention of every gift which has been received in the past. Probably many of these benefactors were strong believers in Church Union. Personally I knew many wealthy men who are now dead and who gave large sums of money to their churches, who were strong supporters of Church Union. If there is power to change doctrine there is no breach of trust.

The rights of minorities are safeguarded, inasmuch as any congregation expressing non-concurrence before the 10th of June, will retain its own property, and, by a Commission appointed by the united churches and the non-concurring congregations, will be given an equity, in any denominational or connexional funds or property, and no one dare say they will not be given justice and a fair deal.

The question has been raised as to the property rights of a non-concurring minority in any congregation. Property rights of the individual in a church are simply fiction: there are no such rights. In this democratic country majorities must rule. This Bill recognizes that the lowest unit with which it is possible to deal is the congregation. If the majority of a congregation decides not to come into the Union the minority of course will be loyally bound to submit, and vice versa. I consider this is fair treatment to both. The minority is properly protected in this Bill.

I therefore second and will support the Bill as it is now placed before us.

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

CIVIL SERVICE SUPERANNUATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 122, an Act to provide for the superannuation of civil servants.

He said: Honourable gentlemen, if my motion for the second reading of this Bill carries, I intend asking that the Bill be sent to the Committee on Banking and Commerce, to be examined in detail.

Hon. Mr. ROBERTSON: May I inquire of the honourable leader of the Government whether opportunity will be given to consider the Bill in detail after it comes back from that Committee, or shall we be expected to adopt the Committee's report without discussion?

Hon. Sir JAMES LOUGHEED: Oh, no. We shall have the greatest freedom.

Hon. Mr. DANDURAND: If when the Bill is reported we are all of one mind as to the adoption of the Committee's report, we shall proceed to the third reading; but if any honourable member suggests that the Bill be referred to the Committee of the Whole, we can go into Committee on it.

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

Hon. Mr. DANDURAND: I desire to notify honourable members of the Senate who are not members of the Committee on Banking and Commerce that the Committee will meet, for the purpose of examining this Bill, to-morrow morning at half-past ten.

POST OFFICE BILL

FIRST READING

Bill 189, an Act to amend the Post Office Act.—Hon. Mr. Dandurand.

INDIAN RESERVE LANDS BILL

FIRST READING

Bill 191, an Act for the Settlement of Certain Questions between the Governments of Canada and Ontario respecting Indian Reserve Lands.—Hon. Mr. Dandurand.

IMMIGRATION BILL

FIRST READING

Bill 195, an Act to amend the Immigration Act.—Hon. Mr. Dandurand.

INLAND WATERS FREIGHT RATES BILL

FIRST READING

Bill 213, an Act to amend the Inland Waters Freight Rates Act, 1923.—Hon. Mr. Dandurand.

PUBLIC SERVICE RETIREMENT BILL

FIRST READING

Bill 227, an Act to amend the Public Service Retirement Act.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND: With the leave of the Senate, I would move that this Bill be now read a second time, so that it may be sent to the Committee on Banking and Commerce.

Hon. Sir JAMES LOUGHEED: Refer it to the Banking and Commerce Committee with the other Bill.

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

CITY OF OTTAWA BILL

FIRST READING

Bill 242, an Act to authorize an Agreement between His Majesty the King and the Corporation of the City of Ottawa.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, July 10, 1924.

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

Prayers and routine proceedings.

SUSPENSION OF RULES

MOTION

Hon. Mr. DANDURAND moved:

That from and inclusive of to-day and until the end of the session, Rules 23f, 24a, b, d, e, and h, 63, 117, 119, 129 and 131 be suspended in so far as they relate to Public or Private Bills.

The motion was agreed to.

UNITED CHURCH OF CANADA BILL

RULING OF THE SPEAKER

On the Orders of the Day:

Hon. J. D. REID: Honourable gentlemen, I would like to refer for a moment to an incident that took place yesterday. When I was addressing the House I made use of a part of a discussion which took place in another place. His Honour the Speaker ruled that I was not in order. I understand that a certain custom has grown up during many years, and that it is or should be respected in both Houses, so I am not complaining of the ruling of the Speaker. When I used the words that I did, I thought I was in order, because I have heard the same words used by many speakers since I have been a member of the Senate, and it is the first time that I have heard any person called to order for using them. I mention that merely to explain why I used those words. I may say also that while I have been a member of the Senate I have seen members of the Senate reading from the Hansard of the House of Commons; and yet they were not called to order. I think the reading from Hansard was for the purpose of giving information to the House, and I am not objecting to that, because I believe it was in the interest of all of us who were interested in the debate that was then taking place. The object I had in view in wishing to use some information which came out in another body was that I believed the Bill before us to be one of the most important that has ever come before Parliament, and because of the intention to pass it through the Senate without giving us an opportunity of getting evidence in regard to the Bill. It was stated by the member who moved the second reading of the Bill that the question had been threshed out for two or three weeks or months in the House of Commons, and that we should take the evidence that was given there instead of having it here. The difficulty that we are confronted with is that according to the decision of the honourable the Speaker yesterday no member can use any of the evidence or any of the discussion that took place in regard to this matter in the House of Commons or in the Committee. That being the case, we must decide upon this Bill without knowing anything more about it than what is written in the Bill.

My purpose in rising is to ask if the honourable leader of the Government would take into consideration a resolution providing that, so far as this Bill is concerned, it shall be permissible in the discussion to refer to what has taken place either in Committee or in the House of Commons. This would assist in giving information to the honourable members of the Senate. Perhaps it would be better still if the Senate would allow honourable members who wished to speak on this Bill simply to refer to the evidence or to what has taken place, without being called to order by His Honour the Speaker. I make this suggestion in a good spirit and in an endeavour to see if anything can be done to assist us in dealing with the Bill with as little friction as possible.

Hon. Mr. DANDURAND: If I understand my honourable friend, he desires that by some procedure we might adopt it would be permissible to refer to the evidence and arguments used in the Committee of the other Chamber when this Bill was under review.

Hon. Mr. REID: That is one thing that I ask. In addition to that I would ask that it be permissible to do, as the honourable gentleman himself has done during the present Session, that is, read from Hansard some remarks that have been made by those who are interested.

Hon. Mr. DANDURAND: The honourable gentleman will remember that I raised no point of order yesterday. His Honour the Speaker drew the attention of the honourable gentleman to the rule only after he had heard another honourable member raise the point of order, that reading or alluding to the debates of the other Chamber was not permitted in this House. His Honour the Speaker's attention having been drawn to the matter, he stated the rule. I intervened simply to ask the honourable gentleman to abide by the decision of the Chair. That is what took place last evening.

I have just asked if the evidence or arguments used before the Committee of the other Chamber have been printed. I think there is considerable literature on both sides of the question before us, and I would suggest that my honourable friend in order to sustain his arguments, might draw upon the elaborate remarks made by the learned counsel in the case, copies of which have been distributed. I do not know that we can go beyond what has been the parliamentary practice, which His Honour the Speaker would deem it his duty to maintain in this debate.

Hon. Mr. REID: In reply to the honourable member, I may say that men who heard all the evidence in the Committee of the other House and are familiar with the main points

of the case, have explained it to the other House; therefore the meat of all the evidence has been collected in Hansard, and I am sure that any honourable gentleman would get into the same difficulty if, as has been suggested by the honourable leader, he were to use the literature that has been distributed, because it quotes what took place in the House of Commons. If you quote from the literature you are reading what took place in the other Chamber.

Surely, in dealing with a Bill so important, it can do no harm to allow honourable members to quote the remarks from both sides, who are so deeply interested. We have not all had the opportunity of hearing the evidence, and surely we could be excused for departing from the rule in the case of this one Bill. If permission to do so requires the unanimous consent of the House I would move a resolution to that effect.

Hon. Mr. DANDURAND: Could not my honourable friend extract from the record of the discussion that has taken place in another Chamber all the arguments that he thinks would support his point of view, without crediting them to the persons who have used them. He might quote arguments to the Senate without mentioning the source from which they come.

Hon. Mr. REID: I do not agree with the honourable member that that is practicable or that it would place the matter fairly before the House. Of course, if the honourable leader of the Government refuses, we must abide by his decision. I am sorry. I think the suggestion should be carried out.

Hon. Mr. DANDURAND: I am but one member of this Chamber, and I take it for granted that my honourable friend addresses his suggestion to His Honour the Speaker, and not to myself.

UNITED CHURCH OF CANADA BILL

SECOND READING

The Senate resumed from July 9 the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 47, an Act to incorporate the United Church of Canada.

Hon. A. B. GILLIS: Honourable gentlemen, I do not purpose occupying much of the time of the House this afternoon on this question. It has been fairly well threshed out, not only here, but in another place, and also throughout the country.

I have to congratulate the honourable gentleman who has charge of this Bill (Hon. Mr. Robertson) on the very mild and nice way in which he presented his argument, or rather, according to his own version, the statement in connection with the second reading of the Bill. The honourable gentleman scarcely ever misses an opportunity of arguing any point that is brought before this House, and I think that last night he made out the strongest case for the Bill he is fathering that he could possibly make. He dwelt at considerable length on the unions that have taken place in Canada during many years past. He mentioned the union between certain branches of the Methodist Church, and also the union of branches of the Presbyterian Church, and used these as an argument in favour of the present Bill.

It is hardly necessary to state that there is no analogy between the conditions under which the former unions were effected and the situation prevailing to-day. On those former occasions branches of the same church, with the same doctrine and the same system of government, were united. This applies to both Presbyterian and Methodist organizations. But in the present instance we have before us an entirely different proposal. It concerns the union of three distinct religious bodies, each having a distinct religious organization and a distinct form of government.

The honourable gentleman referred also to the history of the Church Union movement in the past twenty years. He slid over that history just to suit his own particular views. He did not enter into any of its important details. I purpose, in the course of a few moments, to deal with this particular phase from the standpoint of the Presbyterian Church.

The honourable gentleman mentioned, and laid emphasis upon, the votes that were taken in the General Assembly during a number of years past; and the honourable gentleman from Stadacona (Hon. Mr. Webster) elaborated on this phase of the question and made a good deal of it. Let us look at the votes that have been taken at the various Assemblies in the past few years. I have not the figures of those votes, but I think it would be well for this House to look into the matter carefully, and ascertain whether those votes reasonably represented the views of the people or not. As I do not wish to take up too much time, I will cite the votes of four Presbyteries —one in Pictou, Nova Scotia; one in St. John, New Brunswick; one in Montreal; and another in Toronto. Here are the aggregate votes in those four Presbyteries: for union, 1,532; against union, 1,778; or a majority against it of over 200.

At the meeting held in Owen Sound last month, those in favour of union were represented by 68 delegates, and the antis had only 12. The members and adherents of the Church had nothing whatever to do with the appointment of those delegates. They were appointed by the various Presbyteries, and the people generally had nothing whatever to say in regard to them.

There is another point that I wish to deal with, in connection with this vote. We have in Canada, in round figures, 1,000 self-sustaining congregations. We have practically 500 which are known as augmented congregations; that is, congregations that receive a portion of the minister's salary from the Church Fund. In addition, we have a large number of missionaries, who are practically all supported from the Church Fund. Now, you must remember, honourable gentlemen, that even ministers are human, and that they have to look out for their own living. It is quite possible that a large number of the delegation that attended that Assembly were in charge of what are known as augmented congregations. The Church Funds are in the hands and under the control of the men who are at the head of the propaganda for Church Union, and it is not unreasonable to suppose that certain of the delegates at the Assembly who are in receipt of help from the Church Fund would be more or less influenced in their vote by that very reason.

A request has been made at every Assembly held during the past four or five years to allow the vote on this question of Church Union to be taken by ballot. The men in charge, the leaders of the propaganda, refused point-blank on every occasion to grant the privilege of a vote by ballot. Honourable gentlemen may draw their own conclusion from that fact. Therefore the votes that have been taken at the General Assembly during the past four or five years do not represent the sentiment of the people throughout Canada in any shape or form; they purely and simply represent the aggregation that is working for Church Union.

Honourable gentlemen have emphasized the wisdom of passing this Act for the purpose of assisting the people of the West. I have resided in Western Canada for forty-three years, and I think I am able to speak with some little authority as to the conditions that exist in that country, and I can say that this Church Union scheme has no particular influence with churches that have united in those Provinces. For many years past, at a number of places, the people have united by co-operation. In many instances, in small towns and villages where there have been three or four churches the people have come together and have decided that it would be in their own interest to co-operate and unite in church services. I contend that that is the only real union that can be effected in any country. If the people are willing to co-operate they will succeed in union of that kind, but the moment they are forced by law to unite they will object. As far as the West is concerned, the union proposed by this Bill will not cut the slightest figure, for the people there are uniting co-operatively for their own benefit. Co-operation in the West has been held up as the key-note of this entire union, and the statement has been made that it will do the West more good than any other part of Canada. A year ago the Unionists applied to the people of the four Western provinces for aid in carrying on their propaganda; they asked for $10,000, and out of those four provinces they succeeded in getting something like $2,500. That is evidence to my mind that the people of the West are not particularly interested in this question of union.

I was pleased to note that the Bill contains a provision for taking a vote of those who do not wish to join this union; but that question will come up at another stage, and I will refrain from offering any remarks on that feature of the Bill just now.

The honourable gentleman from Stadacona (Hon. L. C. Webster) in his very eloquent remarks referred at considerable length to the splendid progress the churches of Canada are making. I agree with him that it is a matter of congratulation to all of us that the churches of the various denominations are making good headway. He also referred to the effect that this union would have on immigration; but I must confess that I am not able to understand how church union can have any effect on that problem. The honourable gentleman made the bald statement that it would be of material assistance in the matter of immigration; but, as far as I have been able to observe and think the matter out, I believe the very opposite will be the effect. We are receiving a large number of immigrants from the old land, particularly from Scotland, where they have had the religion of their fathers for many years; but they will come to these shores and find that the church of their fathers does not exist in Canada, if the plans of the promoters of this Bill are fulfilled. In what respect, then, will this church union help immigration? The argument might be applied with equal force to any of the religious denominations.

Now I will refer briefly to the history of this union movement. In 1902, I think it was, the Presbyterian General Assembly met in the City of Winnipeg, and at the same time the Methodist General Conference was held in that city. Dr. Patrick, who was Principal of the Manitoba College, was delegated by the General Assembly to appear before the Methodist Conference and convey to that body the greetings of the General Assembly. In the course of his remarks—he may have been carried away—he incidentally mentioned that it might be a grand thing if the evangelical churches of Canada were to unite. He had no authority for that suggestion, and was not instructed by the General Assembly to make it. But that was the starting-point of this union propaganda. The Methodist Conference and the General Assembly took up the idea, and in 1905 they decided that union should be brought about, but the statement was made at that General Assembly that no union could possibly be carried out except by the unanimous consent of the churches that had union in view. I want to make it very clear that it was definitely stated that it was inadvisable to make any attempt to unite those churches except by unanimous consent of the Presbyterian Church at least.

During the next few years the matter was brought up and dealt with at every Methodist General Conference and every General Assembly, but no action of any consequence was taken until 1911. Then the Presbyterian Church in Canada decided that it would be advisable, in the interest of all concerned, to submit the Church Union question to the vote of the people. That was done, but no particular interest was taken in the question, because the form of union was not made clear. The Presbyterians did not understand that their creed and their system of church government would practically be abolished under that union. However, 37 per cent of those eligible to vote on that occasion did vote, and although there was a majority in favour of union a very outstanding minority voted against it. After that vote the statement was made that the opposition to church union was in the opinion of unionists at that time too strong and outstanding, and for that reason they decided not to take action to bring about union.

Then, in 1915, while the great war was on, when people's thoughts were in other directions, when some 50,000 good Presbyterians were fighting for their King and country in France, those gentlemen decided that another vote should be taken at that very inopportune time. Only 33 per cent of those entitled to do so voted on that occasion, and instead of the cause of union prospering it went back: the opponents increased their number by some 23,000, while those in favour of union only added about 600 to their number.

Then a new condition of affairs arose, and a change took place. Honourable gentlemen have heard of the three tailors of Tooley Street who met and proclaimed: "We are the people of England." On this occasion the leaders of this church union propaganda met somewhere and said, "We are the Presbyterian Church in Canada; the members and adherents of that church have no right to say whether or not we should go on with union; we are prepared to go on with it, because, if we have another vote, judging by the proportion of increase against union, we will be altogether swamped." So those gentlemen who were in control decided to go on.

In the province of Ontario there are three-fifths of the entire Presbyterian population of Canada. In 1915, when the vote was taken, Ontario voted 57,641 for union and 46,436 against union. There were 259 self-sustaining congregations that polled a majority against church union, and the aggregate of those congregations represented practically 1,000,000 of the entire Presbyterian population of Canada.

A canvass was made during the present year, 1924, in 259 congregations, and in that number 73,000 voted against union, and there were still over 1,000 congregations where the vote had not been taken. That gives an idea of the strong feeling existing in this country against church union.

When it was discovered that the people were voting so strongly against union, and that it would not be safe to take another vote, the unionist leaders took the matter into their own hands, and they have been carrying on the propaganda since then. Those men have become dictators in this matter until this Bill has been brought before Parliament. Their propaganda has been almost an outrage on the public, and has even gone so far that one of these men said in the city of Ottawa that no Government dared oppose this measure in Parliament.

There is one point in this Bill to which I take strong exception: that is in regard to calling a minister to a church. Honourable gentlemen will remember that the great disruption in the old Scottish Church took place over this very question, when it was a state church, and the people had no voice as to who should be their minister. From the time of that disruption until now congregations in the

Presbyterian Church in Canada, and also in Scotland, have had the right to select their ministers. Under this Bill we are absolutely denied that right; there is no provision made for it. It is true there is a clause to the effect that:

> Any pastoral charge, in view of a vacancy, may extend a call or invitation to any properly qualified minister or ministers, but the right of appointment shall rest with the Settlement Committee, which shall report to the Conference for information only.

Therefore this great privilege that the Church has enjoyed during all those years, almost for centuries, is taken away under this Bill. I may say that to all Presbyterians it is a matter of great regret that their rights and privileges in this respect are restricted.

The Presbyterian Church in Canada is the strongest Protestant denomination within the bounds of the Dominion. It has made wonderful strides during the decade from 1911 to 1921. Its members and adherents have increased by nearly 400,000. The church has done excellent work in Canada. It has been tolerant to every faction, and has been going along in its own quiet way with its activities. It is unfortunate that a church that is making such splendid progress should be practically wiped out of existence by this Bill.

However, we are not at all discouraged. Even if this Bill passes I am under the impression that the gentlemen who are advocating this scheme of church union will find that they will have nothing but a shell—that they will have the shadow instead of the substance because you cannot legislate people to change their religion. That is utterly impossible, and wherever it has been tried it has proven an utter failure. Therefore I contend that, no matter what may happen, we will have in Canada the Presbyterian Church. Under this Bill the Union promoters have robbed us of the name, "Presbyterian Church in Canada;" but that will not affect us very seriously: the Presbyterian Church will go on, because there is still a certain amount of the blood of the old Covenanters running in the veins of the old Scottish and Irish Presbyterians who live in Canada, and they will not allow their Church to go to the wall. We will suffer greatly by the passing of this Bill, but nevertheless I venture to say that the Presbyterian Church will go on and flourish in Canada for many years.

As to the Methodist Church, I have one word to say. I am a great admirer of that Church, which has done and is doing great work throughout Canada; but what puzzles me is that that great body of free-thinking men, who are great lovers of liberty, and who hate coercion in any form, should be parties to the strangling of the minority of the Presbyterian Church, and force them to submit to this union, as they are doing to-day. I am disappointed in that attitude on the part of the great Methodist Church of Canada, and I am very much surprised that they have taken that course.

I hope that when this Bill comes before the Committee of the Whole House, as it will in a short time, the amendment to which I have referred in regard to the taking of the vote by ballot will be adopted, for I believe that that would be granting only a reasonable concession; but I will refrain from any other remarks in that connection.

I am not going to move any motion in connection with the second reading of the Bill, but will allow it to go through the House, and will discuss those other points in the Committee of the Whole.

Hon. Mr. ROBERTSON: Honourable gentlemen, if there is no one else disposed to speak on this subject I would like to say a few words before the second reading is given.

My honourable friend from Saskatchewan (Hon. Mr. Gillis) has mentioned one or two points that I think are worthy of some further comment. He referred to the co-operation that has existed between Methodist, Presbyterian and Congregational people in the various congregations throughout the West, and has told how that co-operation has succeeded. I thoroughly agree with what he has said in that connection, and endorse his remarks; but I point out to him and to other honourable gentlemen that that co-operation arises out of the action of the Assemblies and Conferences of the respective churches, and in consequence of what appeared to be an emphatic decision on the part of those concerned and interested in the question of union. The fact is that the Presbyterian Church in 1917, by resolution which I read last night, and need not refer to again, notified the Methodist and Congregational Churches of the fact that the Presbyterian Church had officially determined to come into the union, and from that time forward the co-operation increased, and by joint consent union congregations were established, particularly in Western Canada and in newer Ontario, for the purpose of carrying on their religious work. In many places the Presbyterians, instead of building a church in a new community that was growing, worshipped with Methodists who perhaps already had a church, or vice versa. They even went to the extent in their co-operative

action of providing that such funds as were raised for missionaries and other outside charitable purposes should be divided, and part given to the general Presbyterian fund and part to the general Methodist fund. That was done in a spirit of co-operation and looking forward to the day when the organic union promised by the Assembly and Conferences would finally be given effect to. That day has now arrived, and those people are looking forward to the consummation of the organic union toward which they have been working.

My honourable friend expressed his opinion that it was unwise for the Presbyterian Church to have taken a second vote in 1915, when the war was on, and that had the 50,000 Presbyterians that he referred to who were overseas —I do not know what the number was—been given an opportunity to express an opinion on this union, their decision would have been rather opposed to it. I too can only express an opinion; but I call honourable gentlemen to witness to this fact, that the war did more to bring men on the battlefield together and to dissipate prejudices and differences on religious questions than anything else that has happened in many years. It made no difference to a Presbyterian, a Methodist, an Anglican or a Roman Catholic whether it was a Methodist minister or a Presbyterian minister or an Anglican clergyman or a Roman Catholic priest who ministered to them in those dark days. So I feel that had those 50,000 men been consulted on the question, there would probably have been 50,000 more votes in favour of Church Union.

My honourable friend in referring to the Unionists compared them to the three tailors of Tooley Street and said that they claimed they were the Church. Honourable gentlemen will recall that in my feeble attempt last evening to lay the facts before this House, it was fairly and clearly pointed out that the utmost opportunity had been given to all concerned—first, the Presbytery, second, the communicants, and finally the congregations themselves—to pass upon this question. Not only did they pass upon it once: they passed upon it twice. And again I wish to point out the fact that the congregational vote or plebiscite in both the Methodist and Presbyterian churches had no legal force or effect.

Hon. Mr. GILLIS: In view of the speeches made in 1905, no union could be effected unless there was practical unanimity. How does the honourable gentleman, in view of that justify the taking of a third vote?

Hon. Mr. ROBERTSON: My honourable friend asks a question and makes a statement. His statement is that in 1905 the Presbyterian General Assembly said that there must be practical unanimity. I desire to say to him that I think he is mistaken. That Assembly expressed the wish that there should be practical unanimity before union was consummated, and therefore they postponed the vote beyond 1905—beyond 1908, when it was first approved by the Joint Committee. They took the vote in 1911, and further postponed and revised the basis of union, and took another vote in 1915, and the members of the General Assembly composed of laymen and clergy, upon the decision of the people and upon the advice of the Presbyteries, finally decided in 1917 to consummate the union, and pledged their word and faith to the other churches that they would do so.

My honourable friend has referred to those who are in favour of and are supporting church union as dictators. Honourable gentlemen, I want to say that I think that is a mistaken view, and that the application of that term to those who have honestly and consistently sought to come together in closer communion and to work together in greater harmony for a common cause through all these many years, is not appropriate. After having striven to bring about a satisfactory and harmonious conclusion in this matter from 1899 up to this time, I do not think they should be called dictators or regarded as people who have summarily and arbitrarily taken action without due consideration of their own needs as well as the rights of others. In the church unions that occurred in Canada prior to this time, no provision was made for minorities. The advocates of this union have gone much further than has been the case at any time in the past.

Hon. Mr. GILLIS: There were no minorities in the Presbyterian union.

Hon. Mr. ROBERTSON: There were minorities in the union of 1875, and there were at that time—

Hon. Mr. GILLIS: Two churches.

Hon. Mr. ROBERTSON: No, four.

Hon. Mr. GILLIS: Two.

Hon. Mr. ROBERTSON: Four. My honourable friend is a little mistaken in his history. There was no provision made even for the division of the common property of the four churches that were united; it all went into the United Church.

Here, in the light of the greater democracy that we are enjoying in these days, those who do not desire to go ahead with the union

movement may stand aside; and we feel that they are entitled to their just and proper proportion of the general property of the Church. Provision has been made giving the minority equal representation on the tribunal that is to determine that matter. Therefore I feel that it cannot be held that there has been anything dictatorial in the attitude of those who are behind this movement.

It has been suggested by my honourable friend that a decision by ballot is being and has been denied the Presbyterian people. It only dawned upon me a few hours ago that there might be a misapprehension in the minds of many people on this question as to just what is at stake in the matter of the ballot. This Bill contemplates and provides that this Act shall come into force on the 10th day of June, 1925, and that at any time during six months preceding that date any Presbyterian or Methodist congregation that is not unanimous in its desire to come into the United Church shall have the right to hold a plebiscite or take a vote, and by its own act and its own voluntary decision to remain outside.

Hon. G. G. FOSTER: May I ask the honourable gentleman a question? I am not unfriendly to the side my honourable friend has taken in regard to this legislation, but I do not think he is quite fair in his answer with regard to clause 10.

Hon. Mr. ROBERTSON: I have not finished yet.

Hon. G. G. FOSTER: As I understand it, the greatest injustice in the Bill consists in the fact that the people cannot vote except by having a meeting in their church, and a great deal of the bad feeling that exists in the country in regard to this legislation is due to the fact that they are not allowed to vote in the manner which in the Presbyterian Church has been the custom for all time.

Hon. Mr. ROBERTSON: Perhaps my honourable friend has confused the question of the general vote—

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman explain why it is objectionable to have a ballot?

Hon. Mr. ROBERTSON: There is absolutely no objection to any congregation determining for itself whether it will hold up its hands and have them counted or make its decision by ballot; except that we do say that the decision must be made at a congregational meeting announced two weeks in advance, from the pulpit or otherwise, and for that particular purpose. When the meeting is held, and when those on the other side who desire to make any observations have done, the congregation may render its decision by open vote or by ballot.

Hon. Mr. LYNCH-STAUNTON: Is it not the practice of the Presbyterian Church to allow ballots to be sent in?

Hon. Mr. ROBERTSON: No.

Hon. Mr. GILLIS: The two votes taken were by the distribution of ballots.

Hon. Mr. ROBERTSON: My honourable friend again confuses the vote and the plebiscite. I say there was no legal effect from the ballot taken. It was merely a plebiscite taken to ascertain the view of the people. In every plebiscite in the Presbyterian Church ballots may be taken, but they are taken in the form prescribed by the meeting. At the last union in 1875 the vote was taken at congregrational meetings—perhaps by ballot, I do not know—and there is no objection to that. In the Methodist union in 1884 a similar practice was followed. So the Bill will follow the precedent and practice which was adopted in years gone by and which has proved successful. It will be advertised to the people that on a certain date at a certain place the congregation will be called together to discuss and decide this question, and when they meet a decision may be arrived by an open vote or by ballot, as they may determine. But what is objected to is the preparation of a printed ballot to be distributed through the mails or delivered by persons, as the case may be, and signatures obtained with no proof of the origin of the signatures.

Hon. W. B. ROSS: It requires a witness.

Hon. Mr. ROBERTSON: My honourable friend perhaps has an amendment to that effect, but that is not before the House as yet. The Bill merely ensures that every person who expresses an opinion or casts a vote shall be properly authorized and qualified to do so.

May I point out that five or six of the provinces have already dealt with this question and have approved the form of taking the vote that is advocated, and that it would be confusing if we were to pass legislation that would be in direct conflict with that action.

I assume that this question will be more intimately discussed a little later on; therefore I will not detain the House further at this time. I want, however, to point out, in closing, that the fundamental question underlying this Bill is whether the people of any and every religious belief shall have the right, the continuous right which they have enjoyed

in the past, to entire liberty of action and thought, and within their own spheres to conduct their affairs through their own voluntarily selected courts, or whether Parliament is going to intervene and say you shall or you shall not.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman explain how Parliament intervenes if it refuses to pass the Bill?

Hon. Mr. ROBERTSON: I would say in reply to the honourable gentleman that in the legal consummation of the union of these three churches property rights are involved, some of which fall within provincial jurisdiction and some within Federal jurisdiction, and that in the opinion of the eminent legal counsel who was named last night, namely, Mr. Tilley, K.C., and Mr. Cassels—and their opinion is borne out by many other legal gentleman—the legislation now before the House is necessary from that standpoint alone.

Hon. Mr. LYNCH-STAUNTON: That does not answer my question.

Hon. Mr. ROBERTSON: I am coming to that. There is nothing contained within the four corners of this Bill that in any way interferes with the liberty of action within the Church itself, either in its Assembly or in its congregations. If the Church says, "We want to call our members together, and at a congregational meeting determine the question," then we say it should be permitted to do so, and Parliament should not step in and say: "You shall not meet for that purpose, but you shall distribute a ballot and, by mail or some other means, take a vote of the membership on this question. That is a matter of internal domestic concern, and ought not to be interfered with by Parliament.

Hon. Mr. LYNCH-STAUNTON: If Parliament does nothing how can it be taken to intervene?

Hon. Mr. ROBERTSON: If Parliament did nothing in regard to this Bill, I assume—

Hon. Mr. LYNCH-STAUNTON: If Parliament refuses to pass any section, how does it intervene?

Hon. Mr. ROBERTSON: It may have the effect of undermining the whole thing.

Hon. Mr. BARNARD: Would the honourable gentleman enlighten me on one point? I see in the Bill a definition of a non-concurring congregation. Provision is made for the property rights of that congregation. Assuming the case of a congregation of say 500 members, 251 of whom are in favour of union, and 249 opposed to it, is there any provision in the Bill with reference to the property rights of a considerable minority such as that, or are they to be bound by the decision of the congregation?

Hon. Mr. ROBERTSON: The honourable gentleman's question is one that has been asked many times. The answer is that there is no provision, that the congregation is the smallest unit that can be defined as an independent entity, and that the majority of the congregation must determine the question so far as that unit is concerned. The honourable gentleman's question might be reversed. If 251 people voted against going into union, then the 249 unionists would be in exactly the same position as the minority in the case referred to by my honourable friend. It is to be further noted, however, that there is nothing to prevent the members of the non-concurring minority, whichever way they may be disposed, from exercising their own judgment as to continuing as members of that congregation, continuing to work in that church, continuing to have a part and voice in its affairs, because it is the same church that they have been attending and of which they have been members heretofore. They are not driven out of the Church because the majority happen to vote the other way upon the question, and majority rule carries. It is entirely optional with and open to every member to make his or her own decision as to whether he or she will continue with or will depart from the congregation as the result of the vote that may be taken.

Hon. Mr. BARNARD: I would like to ask another question. I have been told—I can hardly conceive that it is the case—that the Bill contains a prohibition against the non-concurring minority starting another church if they choose to do so, and calling it a Presbyterian Church.

Hon. Mr. ROBERTSON: There is no such restriction.

Hon. W. B. ROSS: They cannot adopt the name of the Presbyterian Church in Canada.

The motion of Hon. Mr. Roberston was agreed to, and the Bill was read the second time.

CONSIDERED IN COMMITTEE

Hon. Mr. ROBERTSON moved that the Senate go into Committee on the Bill.

Hon. G. V. WHITE: Honourable gentlemen, before that motion is put I would like to say a word or two. This is a question which affects a very large section of the people of this country. It is a matter of very grave import especially to the Presbyterian congregations in the Dominion, and I am sure that this House is desirous of procuring all the information possible with regard to this important issue, before dealing with the Bill. I therefore move, seconded by Hon. Mr. Mulholland:

That all the words after "that" be struck out and the following be substituted therefor:

"The Bill be referred to a Special Committee of the Senate for the following reasons:

"That in view of the grave questions involving the rights of minorities, the questions as to trusts and property, the question as to the power of the general assembly of the Presbyterian Church in Canada to agree to legislation, and having regard to the extensive diversity of opinion and acute controversy in the Presbyterian Church in Canada and the desirability of giving a full hearing to all parties interested before enacting this legislation, the Senate of Canada deems that it is in the best interests of all concerned that an opportunity be given to all parties interested to be heard before such Special Committee."

The Hon. the SPEAKER: I must point out to the honourable gentleman that an amendment of this kind is not in order. He may move an amendment that the words after "that" be struck out and that the Bill be referred to a special committee, or a standing committee; but he cannot give all these reasons. It is not in order to move an amendment of that kind.

Hon. Mr. WHITE: Then I would move an amendment to the effect suggested.

Hon. Mr. ROBERTSON: Honourable gentlemen, it would seem to me obvious that the amendment of my honourable friend from Pembroke (Hon. G. V. White) ought not to prevail, for the reason that this Session of Parliament will undoubtedly come to a close within a few days. If this question is to be again submitted to a special committee, and there is to be a repetition of all the evidence and arguments that have been given before a large special committee elsewhere, much of which has been heard by members of this House, and which, I am sure, we have all followed from day to day in the press, nothing or very little will be added to the information that we now have upon the subject. If this were some new matter of great importance which had not been discussed in public, and the details of which were not known to the members of this House, and if the Session were not so far advanced, there would probably be some merit in referring it to a Special Committee.

I submit, honourable gentlemen, that the effect of referring this Bill to a Special Committee now would simply be to prolong discussion upon it until prorogation. Then it would fall by the wayside. All the work that has been done would have to be done over again next year; and the unfortunate difficulties that have arisen, or the discord that has perhaps prevailed in some quarters, owing to this controversy, would be prolonged, extended and aggravated for another year. That, I am sure honourable gentlemen agree, would be wholly undesirable. I therefore hope that the amendment will not prevail and that the House will go into Committee of the Whole to consider this Bill.

Hon. Mr. REID: Honourable gentlemen, I would like to say a few words on this motion. Honourable members are aware that the rule of the Senate with reference to Bills has always been that they shall go to certain committees, and that rule has been applied to all Bills that have come before us this Session. This is a very important Bill, and if the Senate—

Hon. Mr. ROBERTSON: May I interrupt my honourable friend to call his attention to the fact that at this Session of the House the rules,—of which this is one—have been suspended, and the House is now at perfect liberty to go into Committee.

Hon. Mr. REID: The rule was suspended to-day.

Hon. Mr. ROBERTSON: So there is no violation of the rule.

Hon. Mr. REID: But that suspension need not apply. We can defer this to a special committee.

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. REID: If I had not drawn the honourable gentleman's attention to the fact that the rule was suspended only to-day, the impression might have gone forth that it was suspended early in the Session. I do not know whether or not the honourable gentleman got the rule suspended so that this Bill could go through the House to-day; but if he had not succeeded in getting the rule suspended the Bill would have had to go to a committee. He nods assent. He succeeded in getting this suspension of the rule in order that he might have the Bill dealt with in the House instead of being referred to a special committee. In other words, the whole machinery of the Senate for dealing with Bills is to be ignored and this Bill is to be railroaded through this afternoon.

Hon. Mr. ROBERTSON: I wish to point out to my honourable friend that there was no such act, intention or design, and that if the rules had not been suspended my honourable friend would have exactly the same liberty to refer this Bill to a special committee as he has now. It is true that the rules, so far as they relate to standing committees, have been suspended, but it was for other matters entirely, and not for this.

Hon. Mr. REID: Of course the honourable gentleman may take that explanation for himself if he so desires, but it is very significant that he succeeded in getting the rule suspended. Nobody suspected about it until now. It was suspended about fifteen or twenty minutes ago, just before this Bill came up.

Hon. Mr. ROBERTSON: The honourable leader of the Government has had that motion on the Order Paper for at least two weeks.

Hon. Mr. REID: But he never moved it until to-day.

Hon. Mr. ROBERTSON: He gave notice two days ago of his intention to move it to-day.

Hon. Mr. REID: At all events, that is the situation, as has been stated by one honourable gentleman, three-fifths of the Presbyterians of Canada are in the Province of Ontario. You could get evidence, if it is desired, in twenty-four hours. There has not been a Bill referred to a special committee this Session that has not had several amendments made to it. You cannot amend this Bill in Committee of the Whole House in two or three hours, if it is to be railroaded through. If it is referred to a special committee, they will devote hours of work to it and will get the necessary evidence, and I am satisfied that the Bill will come back to us with several amendments, and even if it is to pass it will be greatly improved. Surely the Senate will give us an opportunity at least to be heard and to have improvements made in the Bill, if we cannot prevent it from passing. As has been stated by myself and many others, there are at least 90,000 people whose rights are affected. Surely the Senate is not going to send this Bill to a Committee of the Whole House, and refuse to give a special committee a chance to deal with it.

The honourable gentleman from Welland (Hon. Mr. Robertson) has stated that we are within four or five days of prorogation. I doubt that myself. I do not think we shall get away on Wednesday next, as the honourable leader of the Government has said. At all events, the Committee could report in time, with what evidence they had taken. Surely we are entitled to British justice and fair play and to an opportunity of having the Bill improved. Is our right to have evidence taken to be wiped out? We are told: "No, you cannot have anything; we will railroad the Bill through, no matter what the consequences are." I appeal to the House to give us justice and to treat this Bill as every other Bill has been treated during the present Session. Then, whatever the result may be, we shall at least feel that we have not been ill-treated by the House so far as the rules are concerned.

The amendment of Hon. G. V. White was negatived on the following division:

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The motion of Hon. Mr. Robertson was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

Sections 1, 2 and 3 were agreed to.

On section 4—incorporation:

Hon. Mr. REID: As I understand this section, it means that when this Bill goes into effect every person belonging to the Presbyterian Church becomes a member of

the United Church of Canada unless a vote is taken by any special congregation or members voting themselves out. Does this really mean that when the Bill passes we all go in automatically as members of the United Church?

Hon. Mr. ROBERTSON: The passing of the Bill can have no force until the date when it becomes effective, which will be the 10th of June, 1925. It has already been quite clearly set forth that any time during the six months prior to that date every congregation has the opportunity to decide whether or not it desires to go into the United Church. There is also provision in the Act for every individual member. Under the laws of the Presbyterian Church every individual member has the right to his certificate if he desires to withdraw at any time. So there is nothing obligatory on any individual member or individual congregation to go into the United Church.

Hon. Mr. REID: Then, as I understand it, if a vote is not taken they are in the United Church?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. PARDEE: Then you vote yourselves out?

Hon. Mr. ROBERTSON: No; unless a congregation votes before June 10, 1925, not to go into the union, it automatically comes in.

Hon. Mr. REID: But unless I give a notice to the United Church that I am not going to become a member of that Church this Bill makes me a member of it. I must vote myself out, or the congregation must vote themselves out, because the Bill puts them in.

Hon. Mr. PARDEE: Of course it does.

Section 4 was agreed to.

On section 5—general property vested in the United Church:

Hon. Mr. REID: As I understand this clause, it hands over to the United Church of Canada any bequests or trusts that have been given by persons in their wills to the Presbyterian Church in Canada.

Hon. Mr. MURPHY: All churches.

Hon. Mr. REID: I am speaking of the Presbyterian Church in particular; the same would apply to the other churches. Even if a church has a charter from a provincial Government, the Bill takes away from it any right it might have to any bequests or trusts given to it. I would like to know if that is the real situation.

Section 5 was agreed to.

On section 6—property of congregations:

Hon. Mr. LYNCH-STAUNTON: I wish to say something on this clause. I may say that I am not concerned in this Bill on its religious basis; I am regarding it entirely from the standpoint of the jurisdiction and practice of Parliament. The other day a gentleman showed me an anoymous letter in which the remark was made, 'Watch Lynch-Staunton step and show his anti-Protestant teeth on the Church Bill." Now, I want to say that I inherited some of my teeth from a Protestant mother and some of them I got from a Protestant dentist. Notwithstanding that, I think there are in this world some people like David Harum's broad-minded friends, twelve of whom could sit side by side in his buggy.

I object to this clause for two reasons: first, because it undertakes to legislate regarding property—a class of legislation which is exclusively within the jurisdiction of the provincial Legislatures. That was clearly stated in the Dobie case and Parliament was clearly notified by the Privy Council that it had no right or power or authority to legislate regarding provincial property, and a provincial House has no right or authority to legislate with regard to Dominion property. For this reason I did not object to section 5, because that appears to me to be in accord with the Dobie case.

Secondly, this section has the vice that it is legislation of a predatory character: it is legislation which confiscates people's property. In the first year that I was in this House I heard the then honourable leader of the Government say that never in the history of the Senate had any legislation been allowed to pass which had interfered with vested interests or rights of property. I remember correcting him on that, and saying that it had been done in regard to the Bell Telephone Company. The honourable leader took the trouble to look up the matter, and afterwards informed me that I was mistaken, because the Telephone Company had consented to the legislation. Heretofore, therefore, this Senate has been most scrupulous in refraining from passing any legislation which interfered with anybody's rights to property.

This section is objectionable, then, on two grounds—that we are invading the domain of the Provincial Legislatures, and that we are taking from people their rights of property.

Hon. Mr. SMITH: At whose request?

Hon. Mr. LYNCH-STAUNTON: I will explain my position, and say that I am not going to be one in the Senate to transgress the right which every British subject has to property. That is not to be taken away from him except by due process of law.

Let me explain my position. There are congregations of people who own a church—it does not matter to me whether they are Jew, Gentile, Christian, or pagan. In innumerable cases people are now living who have built a church and paid for it. They are not incorporated as a body. They had their reasons for building that church, for the worship of the Creator according to their idea as to how they should worship Him, and according to the faith which they believe and profess, and which, under the law, they have the right to profess. Suppose that 500 people have built that church, and that each of them contributed $200. Under this Bill half of that number, or 251 people, could vote to take that property and transfer it to this United Church, and tell those other people, "Either you must join this Church and profess its faith, or you can go naked out of the Church that you built"—to use an expression I heard from the counsel for the anti-unionists. Now, that is an absolutely immoral and wrong piece of legislation—legislation of kind that has never to my knowledge, been passed, either in lay or in ecclesiastical cases, in this Parliament or in any other British dominion since the time when they robbed the Catholic Church of property 500 years ago. Therefore I protest that we should strike out that clause—firstly, because it is none of our business; and, secondly, because it is not civilized legislation.

I therefore move that that clause be struck out.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I think it is quite apparent that my honourable friend has not read this Bill throughout, and has not familiarized himself with the various conditions which have to be met. It is manifest that if property outside of the provinces is to be held by or to pass over to the United Church there must be Dominion legislation. This section is framed to deal with the transference of property outside of any one province.

Hon. Mr. LYNCH-STAUNTON: Clause 6?

Hon. Sir JAMES LOUGHEED: Yes. For instance, I might ask my honourable friend how property owned by missions outside of Canada would pass to the United Church? How would property situated in unorganized territories, where there is no provincial legislation pass to the United Church? Then in regard to the other case to which my honourable friend has very pathetically referred where the property may be held by those who contributed to its erection or creation, that condition is preserved under section 8 of the Act. So I think my honourable friend may assume that all these conditions have been very carefully thought out, and that we who are sitting here listening to the Chairman call section so-and-so, when we have not analyzed or considered the many conditions—and they are legion—that enter into the preparation of an Act of this kind, can rely upon the accuracy of the drafting. The most complex constitutional law has been considered in the preparation of this Bill, and it is folly to say that we can criticize and destroy it momentarily.

Hon. Mr. LYNCH-STAUNTON: I am amazed at the remarks of my leader, because he sits beside the honourable gentleman who introduced the Bill and who said that the only unit that we can recognize here is the congregation.

Hon. Mr. ROBERTSON: I never said that.

Hon. Mr. LYNCH-STAUNTON: The smallest unit we can recognize is the congregation. In answer to the question put to him, he admitted that those who were dissenting, if they were in the minority, would get no compensation and must either join the United Church or leave it.

As to the other question, my honourable friend asks the Senate to pass this Bill without understanding it. He says that we cannot undertsand the Bill—that we must take it and swallow it blindly. This is the first time I ever heard my honourable leader put up an argument of that kind. He says that there are so many legal complexities and that the Bill has been so carefully considered that it would be ridiculous for us sitting here as the Chairman rattles off the clauses, to criticize it, and that we should take it for granted.

Hon. Sir JAMES LOUGHEED: I put it in this way: that one cannot instantly get on his feet after looking casually over these sections and profess an intimate knowledge of the many provisions that have been and must necessarily be made in the preparation of such a Bill. My honourable friend will agree that it requires Federal legislation to deal with properties outside of Canada, or outside of the boundaries of a province.

Hon. Mr. LYNCH-STAUNTON: This section refers to the congregations. If the

section is so amended as to limit it to the property—

Hon. Sir JAMES LOUGHEED: It refers to the property of a congregation. It says:

Hon. Mr. LYNCH-STAUNTON: It says: "The use of any congregation."

Hon. Sir JAMES LOUGHEED: If my honourable friend will look at the second line he will see. It says:

Subject to the provisions of section eight hereof, all property, real and personal—

Hon. Mr. LYNCH-STAUNTON: I have very carefully studied both sections, and propose to make the same objection to section 8.

The proposed amendment of Hon. Mr. Lynch-Staunton was negatived: yeas. 18; nays, 31.

Section 6 was agreed to.

Section 7 was agreed to.

On section 8—special property of certain congregations:

Hon. Mr. LYNCH-STAUNTON: For the reasons that I have already advanced, I move that this clause be struck out. My objection is that it vests the property of the congregations in the United Church, if by any chance there is some remote, contingent reversionary interest in the general body of the negotiating parties. For example, assume that the deed of trust provides that in the event of the congregation disappearing or moving out of the Church, the property shall go to the general body of the Church—the Presbyterian Church in Canada, for example—then the effect of this section is that the present Church, which has that condition attached to it, shall vest in the United Church. It does not mean, as one might believe at the first reading, that after the church has become derelict and deserted it shall then vest in the United Church; but that all churches which have any such condition or trust or reversionary interest attached to them shall now vest in the United Church.

Hon. Sir JAMES LOUGHEED: I would say the contrary is the case. This is meant to preserve to the minority, or to those to whom a particular property belongs, the retention of that property.

Hon. Mr. LYNCH-STAUNTON: I am quite confident that is not the meaning.

Hon. Sir JAMES LOUGHEED: If language can express anything clearly, it is so expressed:

Any real or personal property belonging to or held by or in trust for or to be the use of any congregation, whether a congregation of the negotiating churches or a congregation received into The United Church after the coming into force of this Act, solely for its own benefit, and in which the denomination to which such congregation belongs has no right or interest, reversionary or otherwise, shall not be subject to the provisions of sections 5 and 6 hereof or to the control of the United Church, unless and until any such congregation at a meeting thereof regularly called for the purpose shall consent that such provisions shall apply to any such property or a specified part thereof.

That is as clear as language can make it—that the property stands in the name of that particular congregation until they shall declare that they want it included in the United Church.

Hon. Mr LYNCH-STAUNTON: What effect does the honourable gentleman give to these words:

Solely for its own benefit, and in which the denomination—

That is, the Presbyterian Church in Canada—

—to which such congregation belongs has no right or interest, reversionary or otherwise.

If those words are struck out, the honourable gentleman is quite right; but if they remain in, then, if the deed of trust says that in the event of that church becoming derelict it shall go to the general body, I say that by this Act it goes instanter to the general body, and does not belong to the congregation any more.

The proposed amendment of Hon. Mr. Lynch-Staunton was negatived.

Section 8 was agreed to.

Section 9 was agreed to.

On section 10—property of non-concurring congregations:

Hon. W. B. ROSS: Mr. Chairman, I have an amendment which I wish to move to this section. In order that honourable gentlemen may understand the motion that I am making, I think I ought to point out that, besides the Dominion Parliament, there will be nine provincial legislatures dealing with this subject-matter of the union of the churches. Therefore we have got to settle here and now which of the ten bodies is the dominant legislating body. If you look at this Act, and bear in mind the respective powers of the Dominion Parliament and the provincial legislatures, you will see that the three churches are brought together and put into one by this Parliament. It is absolutely certain that that could not be done by the nine provincial legislatures acting either separately or endeavor-

ing to act together by passing Acts of the same kind. It is not within their capacity at all to create the corporation that is being created by this Parliament. I am stressing that, because when we come to deal with the question of what are called non-concurring congregations we may be told that there is some provincial legislation. I am going to ask you to disregard that, for the reason that the corporation we are creating is being created by this Parliament, and the right of saying what congregations shall come in or be deemed to be in, or what congregations shall have the option of staying out, rests with this Parliament and not with the Provincial Legislature. Otherwise, you might have Bills with nine different provisions regarding the congregations that are to stay out; or with nine different schemes for determining the vote.

There is provision in section 10 for taking a vote with a view of defining the non-concurring congregations. This Act comes into force on the 10th day of June next, and on that day all the Presbyterian and Methodist and Congregational churches will be fused into one body, with the exception of those congregations that, between the 10th day of December of this year and the 10th day of next June, vote not to go into the Union Church. Now, if anything goes wrong with regard to the vote in a congregation between the 10th day of December and the 10th day of June next, on the latter day that congregation automatically, with the effluxion of time, is a part of the Union Church. You can see the great importance of this vote.

I have not said anything at all about the merits of this Bill, and I am not going to say anything now; but to speak of it in the mildest terms possible, and of the way this thing has been done, I suppose the apology would be: "If it is to be done, it has to be done with a high hand." It is impossible for any man to read that statute from beginning to end and not see that that legislation is just about as drastic and as autocratic as any that has ever appeared upon the Statute Book of any country in the world. Rightly or wrongly, I am not going to discuss that now. But there it is; it speaks for itself.

Here is a congregation that on the 10th day of next June will be a part of a Union Church—a church made up of Methodists, Congregationalists and Presbyterians. It has just one chance for its life, and that is that it shall take a vote and declare its unwillingness to go in. This vote should in the first place be available to the members of any congregation that is disposed to take a vote in order to stay out of the Union. That is to say, a scratch vote—a vote held perhaps in January next, in a snow-storm—may be only a partial vote. On that day people may be sick or away from home. Therefore to have a vote on a particular day may do a great injustice. It is not necessary to say that this would work both ways. You are dealing not only with the consciences of those people and the way in which they are going to vote, but you are dealing with their property and I submit that in dealing with people and, in taking away from them their property and their freedom of worship, in fairness you should give them ample time to take the vote.

Therefore I am going to propose that the vote, instead of being taken at a meeting called for a particular purpose and at a particular place, may be taken by ballot; that the ballots shall be distributed by the regular officers of a particular day two weeks before the day that may be called the return day. Every member of the congregation entitled to vote will have, by the session or a regular officer, a ballot sent to him by mail or served upon him personally, and he will then have two weeks within which to deposit his ballot with the official of the church. The ballots will then be counted, and there is proper machinery in the Act for the return of the vote.

Hon. Mr. SCHAFFNER: Is that the full procedure that the honourable gentleman gives?

Hon. W. B. ROSS: No, the details are here. No ballot in the world is taken with so little ceremony as that. You have to print the ballot. There is a form of ballot given. The ballot will be signed by the member in the presence of a witness. It is then mailed: then it is returned and counted up and sent to the central authority.

Hon. Mr. SCHAFFNER: That is in the honourable gentleman's motion. There is nothing of that in the Bill.

Hon. W. B. ROSS: It is in my motion. If honourable gentlemen will look at section 10, it will only be necessary for me to read a few lines:

> If any congregation in connection or communion with any of the negotiating churches shall, at a meeting of the congregation regularly called and held at any time within six months before the coming into force of this Act, or within the time limited by any statute respecting The United Church of Canada passed by the legislature of the Province in which the property of the congregation is situate, before such coming into force, decide by a majority of votes of the persons present at such meeting and entitled to vote thereat.

I will repeat these words, because they are the words that I propose to have amended:

Decide by a majority of votes of the persons present at such meeting and entitled to vote thereat not to enter the said Union of the said Churches, then and in such case the property, real and personal—

And so on. It is provided that it shall remain unaffected.

Now, honourable gentlemen, I move that section 10 (a) be amended by striking out the words, "of the persons present at such meeting and entitled to vote thereat" in lines 9 and 10, and by substituting therefor the words, "of the persons entitled to vote in such congregation, by a vote taken by ballot under the provisions of schedule D;" and that the said Bill be further amended by adding thereto schedule "D" the following:

Schedule D—

Hon. Sir JAMES LOUGHEED: Let us have "the following." This is a general election act. Let us have it read.

Hon. Mr. ROSS: You brought this on yourself. Do not blame me.

Hon. Sir JAMES LOUGHEED: Yes; let us have it read.

Hon. Mr. ROSS (reading):

Regulations for vote by ballot provided for in section 9 (a):

Hon. Mr. McMEANS: Have you any penalty there for stuffing ballots?

Hon. Mr. ROSS: What is that? Presbyterians do not stuff ballots. (Reading):

1. The ballot to be used in taking the vote provided for by section 10 (a) and following of the act shall be printed in black type on white paper of good quality at the diligence of the Clerk of Session or Recording Steward of the Quarterly Board, or should there be no such official in office then by the minister for the time being in charge of the congregation.

2. The ballot shall be in the form following or to the same general effect:—

Presbyterian Church

The (or as the case may be)

Are you in favour of this Congregation entering the United Church of Canada?	Yes.
	No.

N.B.—Voter should mark an X opposite the answer which he or she wishes to give to the question submitted and sign this ballot in the presence of a witness and return to the Clerk of Session (or as the case may be) on or before the day of , 19 , when the vote will be closed.

Witness..... Signature.....

3. The said Clerk of Session or Recording Steward or Minister of any Congregation in which a vote is to be held shall personally deliver a copy of said ballot to each member of said Congregation entitled to vote, or shall mail a copy of such ballot to each such member, postage prepaid, and addressed to the last known post office address of such member at least two weeks before the day for the closing of said vote, and the said Clerk of Session or Recording Steward or Minister shall keep an accurate list of the names of all persons to whom such ballots are delivered and of the names and addresses of all persons to whom such ballots are mailed, and shall verify the accuracy of said list by solemn declaration.

4. The said Clerk of Session or Recording Steward or Minister shall likewise deliver or mail at the same time to each said voter an envelope addressed to himself in which the said ballot may be returned to him and upon which the words "ballot paper" shall be printed for purposes of identification.

5. Should any person entitled to vote not receive his ballot in due course he shall be entitled to personally require the said Clerk of Session or Recording Steward or Minister to deliver him a ballot at any time before the close of said poll.

6. Should any ballot of a voter or the envelope for the return thereof be lost, defaced or destroyed before having been deposited, the voter, on establishing said fact by affidavit or solemn declaration, shall be entitled to a new ballot or envelope at any time before the closing of said vote.

7. The said ballots shall be signed by those entitled to vote in the presence of a witness, and shall thereupon be returned in the envelope aforesaid properly sealed to the said Clerk of Session or Recording Steward or Minister either by personal delivery or by mail with postage prepaid.

8. At 8 o'clock in the evening of the day mentioned on said ballot, which shall be not sooner than two weeks from the said date of mailing or delivery, the said vote by ballot shall be closed and the Clerk of Session or Recording Steward or Minister shall thereupon cause to be summoned a meeting of said Session or Quarterly Board without delay for the purpose of verifying the result of said vote.

9. To this meeting of Session or Quarterly Board when convened the said Clerk of Session or Recording Steward or Minister shall produce all said envelopes containing the ballots received by him before the closing of the vote and shall verify the accuracy of this fact by solemn declaration.

10. At said meeting of Session or Quarterly Board the said Session or Quarterly Board or a sub-committee thereof of not less than five members appointed for the purpose shall open the said envelopes and verify and count the said ballots, and shall determine and declare the result of said vote, and shall prepare a list containing the names of all voters who may have cast a vote upon said ballot and showing whether said voters have answered the questions submitted Yes or No.

11. The result of said vote by ballot as so determined shall thereupon be certified by the Minister in charge and by the Clerk of Session or Recording Steward of the Quarterly Board (if any) of said Congregation, and any person who may have cast a ballot upon said vote shall be entitled to obtain upon request from said officers a copy of said certificate.

12. On the two Sabbaths, following the verification of the result of said vote by ballot as aforesaid the Minister presiding at all diets of worship then held shall announce from the Pulpit the result of said vote, and a copy of the certificate of the result of said vote as aforesaid shall be posted at or near the entrance to the church edifice, and a copy of said certificate shall be forthwith deposited with the Clerk of Presbytery or Secretary of the Conference having jurisdiction over such Congregation, and also to the Clerk of the General Assembly of the Presbyterian Church in Canada or to the Secretary of the General Conference of the Methodist Church or to the Secretary of

the Congregational Union and/or to the Secretary of the General Council of the United Church as the case may be.

13. All ballots cast upon said vote shall be retained in the possession of the said Clerk of Session or Recording Steward or Minister, as the case may be, for one month following the close of said vote, and the said ballots and/or the list of votes cast may be examined in the presence of said officers by any member who may have cast or been qualified to cast a ballot upon said vote.

14. Failure or omission to strictly observe any of the detailed requirements of these regulations shall not entail the nullity of the vote in the congregation in question, provided that the Superior or County Court of the Province having jurisdiction over such congregation shall decide, if appealed to within thirty days from the first public declaration of the result of said vote, that said vote has been taken substantially in accordance with these regulations and that no such failure or omission has materially affected the result of such vote.

Honourable gentlemen, on this vote depends the future of probably 400 or 500 Presbyterian congregations and their destinies, either in or outside of the United Church, and it affects their property as well. I submit to you that, where so much turns upon a vote, time and opportunity should be given to every member of the congregation, and that the vote should be held in such form and manner that it may become a matter of record and may guarantee a true and effective expression of opinion from every one in the congregation who takes interest enough in his Church to vote. I have already pointed out, and need not repeat, the objection to the mere calling of a vote on a particular day. You can imagine many things that might occur with good results in a true vote of the congregation not being given. Under this proposed amendment there would be two weeks allowed for taking the vote, and one side could not have any advantage over the other.

Hon. G. G. FOSTER: Honourable gentlemen, as seconding the resolution that has been moved by the honourable Senator from Middleton (Hon. W. B. Ross), I desire to make simply this one point. In the name of the people outside of this House who are so deeply interested in this legislation, I appeal to the mover and the seconder of the Bill to accept the amendment that has been proposed by the honourable Senator from Middleton. There are many thousands of people in Canada to-day whose hearts have been broken and who deplore this legislation. There are many thousands who do not agree with a single line of the Bill that has been introduced in this Parliament, or with the methods that have been adopted, both before the legislation was brought down and since. Many feel that an injustice was done to their Church and to themselves by the introduction of this legislation without a preliminary vote being taken, in order to ascertain whether or not a majority of the people interested in the Presbyterian Church were in favour of the Bill. I have not one word of reproach for the Methodists or the Congregationalists, because, as I understand, they were unanimous in desiring this Union, and, so far as I am concerned, if they wanted Union, or if even the Presbyterian Church, or the Catholic, or the Greek Church, wanted Union, I say they should have it; but I say in the same breath that no man should be forced to enter the Union if his heart is not in it and he cannot join conscientiously in the religious ceremonies that will follow.

I have petitions and letters from people all over this country, begging and importuning me, as other members of the Senate have been importuned, to vote against this legislation. If I had followed the dictates of many of my intimate friends, I should have voted against this Bill and for the motion of the honourable gentleman from Grenville (Hon. Mr. Reid); but we have had this question before the people of Canada for too many months and years —we have had too much bad feeling in this country for all this time, and too many people looking for trouble, and anxious to point the finger of scorn at religion, for me to desire to see this Bill before the people of Canada, or before this House, or anywhere else, for a single hour longer than is necessary in order to do justice to everybody interested. In that spirit I voted against a motion that I might have supported, because I cannot believe that it is in the interest of religion or of the people of Canada to prolong this controversy. But I say to my honourable friends who are promoting this Bill that if they want to be fair, if they want to kill some of the criticism that stands against them, if they want to be reasonable towards the people who are being wronged by clause 10, change it as the honourable Senator from Middleton has asked you to do. He does not tell you how you must take the vote: all he asks is that you will give everybody a chance to express an opinion. An old woman of 91 wrote me a letter saying: "I understand that I have to go to a meeting, and I have not been out of bed for six years, because I am so old; but I do not want you to legislate the Presbyterian Church out of existence without giving me a chance to vote for the Church I love." I appeal to you to arrange the ballot so that that woman will have an opportunity to vote in her own home.

Hon. Mr. BENNETT: May I ask the honourable gentleman this question? Will

not a dear old lady like that have some friend who will say to her, as is said sometimes in elections: "Rather than see you obliged to get up and go down to a meeting, I will pair off with you?" If not, then God help that part of the country in which she lives.

Hon. Mr. FOSTER: I do not consider the politics of these people, or anything about them except that they want to vote in the only way they can. Besides old people, there are commercial travellers who are seldom available for meetings.

An Hon. SENATOR: And fishermen.

Hon. Mr. FOSTER: Yes, and fishermen. There are people who are sick, and people who are away from home, travelling or otherwise. Not a single man or woman belonging to those classes is going to have a vote if you adopt clause 10 as it is written. It is not British; it is not fair, to leave the clause as it is. Give the vote to those people, with whom you ought to be in sympathy, and whom you ought to assist in trying to break down some of the barriers that are being placed around this new Church, and that will be left there just as long as the stars are in the sky. I beg you, in all sincerity, in the name of the men and women of this country who for one reason or another cannot attend meetings to vote, not to deprive them of their right to the ballot, but to see to it that the method that has been followed by the Presbyterian Church in the taking of a ballot shall be followed in this matter. You yourselves had ballots when you took the vote on two former occasions.

Hon. Mr. BRADBURY: The ballots were not sent out over the country, though.

Hon. Mr. FOSTER: No, but you had ballots. There are ballots taken in the Presbyterian Church to-day, for various causes. I do not belong to the Presbyterian Church; I am not talking with any personal feeling in this matter, except in the spirit of fair play and with the desire to see justice done to people who have a right to demand it of us. I say that in accepting the proposed amendment you will do no harm, but will do good to the cause that you seek to serve. You will do great harm if you say to the people of this country that at a particular moment, whether they are sick or well, absent or not, a meeting shall be held and a vote taken to decide whether or not their Church and their property shall be taken away from them and they will be turned out into the cold. I earnestly hope that the amendment that has been moved by the honourable Senator from Middleton will pass, and that this House will show that we have a proper regard for the rights of the minority, and those who are deserving of our best consideration.

Hon. Mr. ROBERTSON: My honourable friend from Alma (Hon. Mr. Foster) has made an appeal to those responsible for the introduction of this Bill in this House, and I want to say in reply that any opinion expressed by our honourable friend, or any appeal that he ever makes, so far as I am concerned, is received with the greatest sympathy and given most careful consideration, because I have the greatest respect for and confidence in his judgment in most matters. I cannot, however, associate myself with the amendment moved by the honourable member from Middleon. My first and foremost reason, and it is a fundamental one, is that I do not believe that, on reflection, the members or adherents of any Church, Protestant or Catholic, will ever consent or agree to Parliament fixing the form of their ballot, specifying the time when the ballot shall be taken, the kind of paper on which the vote is to be marked, the kind of ink that must be used, and the requirement that the vote must be counted at 8 o'clock on a certain day. Looking back into the days of religious persecution in various countries of Europe, we see that that is the kind of restriction that was imposed, centuries ago, upon the liberties of the people of different religions. In certain countries particular churches were persecuted by governments. We are not, I hope, going to return to anything of that sort, or to pass in the Parliament of Canada any legislation that could be for one moment regarded as restricting the rights and liberties of the individual, the congregation, or the Church itself in matters that are wholly of domestic or internal concern. For that reason I object to the amendment of my honourable friend.

My honourable friend from Alma (Hon. G. G. Foster) has pointed out that ballots were taken in 1911 and 1915—I think those are the occasions to which he referred. In reply I would say to him, yes, ballots were taken, but how? Congregational meetings were held, and this matter was discussed, and finally a ballot was taken; but it was not a ballot that had any legal effect: it was simply a plebescite to learn the wishes of the people, and no action was based on the opinion thus expressed.

I would point out that in a former church union which took place in the Presbyterian Church, in 1875, when four former Presby-

terian bodies of various sorts united, a vote was held at a duly called meeting. That was the procedure required by certain existing provincial laws regarding the disposal of church property under the Ontario Religious Institutions Act. A vote at a duly called meeting is the method already passed in the provincial legislatures of Manitoba, Saskatchewan, Alberta, Nova Scotia, New Brunswick and Prince Edward Island, though in the last named province the Bill has not been brought into effect by the Lieutenant Governor as yet. Voting at a duly called meeting is also the regular procedure called for by the present constitutions of all the three uniting churches, with which it would not be advisable for Parliament to interfere. Expressions of opinion have been given by prominent men in other places at very recent dates urging this same view that Parliament ought not to interfere in a matter of internal domestic concern, but should leave it to those interested to make their own determination, and should act upon their request.

My honourable friend has expressed the opinion that the majorities are to suffer by reason of this proposed form of taking a vote on this question. If I felt that that were true, I would certainly be inclined to give very serious consideration to his appeal; but I cannot conceive that any hardship can be done to one side more than the other. There may be an old lady of 91 years who would not be able to go to a congregational meeting, but she might or might not be inclined to vote for the union of those three churches.

Hon. Mr. ROSS: But she ought to be able to put in her vote.

Hon. Mr. ROBERTSON: But it cannot be held that there is any discrimination against one side or the other by following the course which the churches themselves say is their constitutional practice, the practice followed in previous unions, and the practice which they recommend and ask should still be followed. I seriously question the propriety of Parliament intervening and interfering in a matter of that kind.

The amendment of my honourable friend from Middleton is almost as long as all the rest of the Bill. I am very doubtful if it would be possible to have it thoroughly understood and correctly executed in every detail by the ordinary layman who may be a church official. There are many thousands of congregations of these three churches in Canada, many of them in rural districts, where the intelligence of some of the people who would be called to act under this legislation would be seriously tasked to thoroughly understand the requirements of the varied details that the amendment calls into play. Now, suppose that in some of our provinces, particularly the newer provinces, there are many Methodists and Presbyterians who perhaps speak the English language indifferently, and understand it with difficulty, who yet are truly sincere in their religious convictions and in their desire to be good citizens and supporters of the church of their choice. Such persons would perhaps be incapable of complying intelligently and legally with all the details set forth. Does it not occur to honourable gentlemen that so much red tape, to use a common phrase, might well be taken advantage of, and that it might be held that the decision by such a congregation was of no effect, and might be protected because of some detail connected with that long rigmarole not being completely complied with?

Hon. W. B. ROSS: I would like to ask the honourable gentleman if those people in the West of whom he speaks are incapable of voting at Dominion or provincial or municipal elections, and if there is anything more intricate in this vote than in one of those votes? If they can vote at any of those elections, they can surely sign their names on the ballot and put it in an envelope. That is all the machinery there is about it.

Hon. Mr. ROBERTSON: I do not think that the appeal of my honourable friend from Alma (Hon. G. G. Foster) contemplated asking the mover and seconder of this Bill in this House to agree to the carrying on of the ballot in the manner in which a Dominion election is conducted. If I thought that he made the appeal on that basis, I would be much less sympathetically inclined towards it.

The fundamental principle underlying the question now before us is whether the churches that are involved at present in this question, and all other churches who may be involved is some similar question in the years that lie before us, are to surrender their right and their liberty to choose and decide for themselves how they shall determine questions within their own courts.

Hon. Mr. LYNCH-STAUNTON: Is not the honourable gentleman aware that Parliament is deciding for them in this case?

Hon. Mr. ROBERTSON: I hold that Parliament ought not to decide in a way different from that which they themselves have expressed themselves willing to be governed.

Hon. Mr. LYNCH-STAUNTON: But they are the promoters of the Bill.

Hon. Mr. ROBERTSON: The promoters of this Bill represent the majority, the very large majority, of sentiment and feeling on the part of the people who are concerned and affected by it.

Hon. Mr. REID: In British Columbia I understand they have what is known as the absentee vote. I presume that method was decided on by the Legislature on the principle that every person should have a right to vote, especially when it comes to voting away property that the voters helped to pay for, and of which they are really part owners.

Hon. Mr. ROBERTSON: I would point out to my honourable friend that there is no legislation covering any such question, and furthermore that my argument still holds, that unless the people concerned, especially in religious matters, indicate that they desire a certain line to be followed, Parliament should not force it upon them.

Hon. W. B. ROSS: But that is what you are doing. They never indicated that they wanted to go into the United Church, and you are shoving them in.

Hon. Mr. ROBERTSON: No; but to enter into a discussion of the question that my honourable friend now raises would be to revert to what has already been gone into.

Hon. Mr. CALDER: As I understand the position my honourable friend takes, it is that the majority wish to have the vote taken by ballot.

Hon. Mr. ROBERTSON: No, that is not correct.

Hon. Mr. CALDER: Do I understand him to have objection to a ballot vote?

Hon. Mr. ROBERTSON: Not if the ballot vote is taken at the congregational meeting—certainly not; but we do object to sending ballots all over the country and holding a general election under rules such as are laid down in this amendment.

Hon. Mr. CALDER: The honourable gentleman says that Parliament has no right to interfere in a question of that character, simply because the majority so wish; but have the minorities no rights? If the minority come to Parliament and ask for protection, then I ask, has not Parliament a right to protect them?

Hon. Mr. ROBERTSON: My reply is that if Parliament gave recognition to the request of the minority, I would ask the question, have majorities no rights?

Hon. W. B. ROSS: This is the first manifestation I have yet seen in Parliament from the unionists of any desire to have the slightest regard for the feeling of non-unionists.

Hon. Mr. ROBERTSON: There is absolutely no desire or intention to do anything that would savour of coercion in this matter. Those who have been in this work for many years, some of them for 30 or 40 years, and who have attended various Assemblies and Conferences, believe this is the best way in which this work can be done, and it is their well studied judgment and decision that the people ought to be notified in advance for at least two weeks, both communicants and adherents in the various congregations, and that the meeting should be advertised from the pulpits, and the people given due notice of a certain date when the meeting would be called.

Hon. Mr. GILLIS: Did not the General Assembly two years ago state that any votes that were to be taken should be taken by ballot?

Hon. Mr. ROBERTSON: There is no objection to them being taken by ballot.

Hon. Mr. GILLIS: The Bill does not provide for that.

Hon. Mr. ROBERTSON: What they propose is that the people shall come together after having been given due notice extending over a period of two weeks; that they shall then hear and consider the views of those who may desire to express themselves on this subject, and then, after every person has had ample and full opportunity to become fully seized of the facts, a vote is to be taken in any manner that the meeting itself may desire. If they desire to take it by an open vote or by a ballot, that is their business. It is certainly in keeping with the constitutional practice of all three churches concerned, and in accord with the practice followed in previous church union movements in 1875 and 1884. It is in accord with the unanimous desire of the Presbyterian Church, the General Conference of the Methodist Church, and the Congregational Union; and they come to this Parliament and say, "Gentlemen, in view of our experience, this is the manner in which we think this ought to be done, and we ask you to endorse it." They do not ask us, and I do not think it would be acceptable to those concerned, to have Parliament lay down a detailed line of action, with such

onerous and exhaustive detail as is contained in the amendment, and say that the decision of this question must be given in the manner indicated by the honourable member from Middleton, by using a certain kind of paper, by voting on a certain date, and by counting the ballots at a certain hour, distributing the ballots promiscuously over the country, without the safeguards usually placed around the taking of a ballot.

Honourable gentlemen, I think that on reflection there can be no doubt of the fairness of the Bill as it stands, and that the amendment would complicate the matter very seriously. I hope, therefore, that it will not prevail.

Hon. Mr. GILLIS: The statement has been made that all the provinces that passed this Bill have not provided for a vote. That is not correct. The Act passed in Saskatchewan says, in subsection 2 of section 8:

> Provided, however, that the congregation may make its decision by ballot in such manner as the said meeting may determine.

Hon. Mr. ROBERTSON: But I point out to my honourable friend that it does not compel them to, and they have the same right under this Bill.

Hon. Mr. GILLIS: But this subsection gives an absolute power, and does not limit them in any respect. Therefore the province of Saskatchewan is giving the very privilege that is denied us under this Bill.

Hon. Mr. ROBERTSON: They have that privilege under the Bill.

Hon. Mr. BENNETT: I would like to have seen a clause in the Bill that there should be a ballot vote in every place.

Hon. Mr. BRADBURY: It is not proposed to have a secret vote.

Hon. Mr. BENNETT: No, but let it provide that there shall be a ballot vote. I am in favour of a ballot vote.

Hon. Mr. PLANTA: A secret vote?

Hon. Mr. BENNETT: Every ballot vote is a secret vote.

Hon. Mr. PLANTA: No, it is not.

Hon. Mr. BENNETT: Well, I am in favour of a secret vote.

At 6 o'clock the Committee took recess.

The Committee resumed at 8 p.m.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I cannot let the consideration of this question be disposed of without claiming the indulgence of the Senate while I express my views as to the amendment moved by my honourable friend from Middleton (Hon. W. B. Ross). I think I may preface any observations that I may have to make by saying that the Senate during its consideration of this subject this afternoon, seemed to have been under the impression that we are deciding questions of theology in the consideration of this Bill; that we are dealing with a religious matter in contradistinction to a purely business subject. A short review of the facts may bring us back to a condition of sanity, if I may so express it, in dealing with this subject. The facts are that over 2,500,000 adherents of three churches in Canada have come to Parliament for what is practically a business charter. The only subjects with which we have to deal are subjects relating to corporation law. Those three churches, representing, as I have said, over two and a half million of people, through their highest courts—courts vested with the fullest authority to represent their respective churches—have solemnly agreed to a contract of union by which those three churches may be fused or merged, or carried on as one corporate body. While the Presbyterian Church has first got what you would call a charter by law, or an incorporation, it is recognized in the various Statutes of Canada dealing with it as a corporate entity. The Methodist Church is a corporation duly incorporated by the Parliament of Canada. The Congregationalist Church has been similarly incorporated.

The whole trend of modern thought, not only along religious lines, but along business lines, has been in the direction of union. Nothing has impressed itself more clearly upon the business minds of the community than the necessity of union with reference to any aggregation of individuals or of business interests. Most of us here can easily remember when we had within the Dominion at least a dozen, I suppose, distinct railway corporations, all struggling to make a living. To-day we have practically only two. The whole trend of the financial world is in the direction of union. The larger banks are swallowing up the smaller ones, and very properly so. Where we find a number of identical business interests carried on under separate management, we also find that the trend of modern action is to consolidate them in one.

This applies to religious bodies just as strongly and as forcefully as to business bodies. Let me illustrate that by saying that west of Ontario there are no less than approximately 3,000 congregations, representing

the three bodies that have been mentioned, all united under one form of religious service. I say unhestiatingly, honourable gentlemen, that those religious bodies which approach each other in articles of faith cannot possibly keep out of the union if they are to exist. According to the trend of thought and action to-day, they must necessarily become merged into union in due course of time. This has been the history of those three bodies since 1879. The work of evolution has been going on almost unconsciously, and to-day we find that there have been nineteen unions of these three bodies, which, previous to 1879, represented 40 bodies.

If that is the trend of thought in Canada—and it is likewise the trend of thought in the United States and in Great Britain—how is it possible that men who are members of these religious bodies can stem the irresistible tide of union which must necessarily take place if these bodies are to succeed? It is the law of growth; it is the law of progress; and it is irresistible. I care not how honourable gentlemen may protest against one body becoming fused with the other. It is bound to come; and the sooner we can give assistance to it the better not only for those bodies themselves but for the community at large.

Now, may I suggest that in the consideration of this measure we should keep religion entirely out of the question. I have approached the consideration of this matter with my mind absolutely free from any religious thought or any religious prejudice or sympathy. Let us keep in view also, honourable gentlemen, the fact that within the broad confiines of Canada there is no institution which enjoys the freedom from religious passion and animosity that the Senate of Canada does. If we are to maintain our reputation as a business body, standing as a safeguard against public clamour and agitation, and all the public disturbance and restlessness that we find in the community, we have to approach all questions, I care not what they may be, in a spirit of calm and judicial thought, so that we may determine upon their merits what should ultimately be done. If we approach this question as it was discussed yesterday, and as it has been discussed again to-day, I say to you, honourable gentlemen, in all seriousness, that the Senate of Canada will lose its reputation for calm and judicial action. We cannot afford to let religious animosity enter into and determine the settlement of these great questions which are before us.

Those three churches have approached the Parliament of Canada, being among the largest interests in the State. I doubt if any organization has come before the Parliament of Canada during the present Session which represented such important business interests as those three bodies. In the first place, as I have already said, they represented over two and a half million people. They represent church property and funds of different kinds that would probably run into a billion. And yet we are going to lose our common sense; we are going to lose our sense of proportion and that well-balanced thought which we should apply to questions of this kind, because of religious sympathy or religious animosity. I say to you, honourable gentlemen, the reputation of the Senate is at stake in dealing with this matter, and I appeal to my fellow members to approach this as a business question and look at it in a business way.

Those three bodies have come to Parliament and have asked for all the machinery necessary to carry on the work, combined, which they have been carrying on separately. For a moment eliminate, if you can, the fact that they are religious bodies. Conceive if you can that they are business bodies—three banks, three insurance companies, three railways, or any other three institutions of that character. You would grant them those powers without any hesitation. You would not pause a moment. Just as fast as the Chairman could call the clauses, you would say: "There are precedents for settling this clause in this way, that way, and the other;" and you would at once give them all they ask.

After all, the two and a half million adherents of those Churches—or if you choose to narrow it down to communicants and members, you may do so—represent the shareholders in those three companies. And the shareholders have a right to come to the Parliament of Canada and ask it to give them the necessary machinery for the transaction of their secular business, which is just as necessary to the Church as is the treatment of religious subjects. The Church courts, authorized by those members or adherents, represent the directorate of any large company. Power is vested in them to perform certain acts, and they, vested with the authority of those whom they represent—which is not controverted for a moment—come to the solemn conclusion to do a certain act, and they accordingly do it.

That leads us to ask the question—which, apparently, has been controverted here to some extent—as to whether the General Assembly of the Presbyterian Church had the

right to agree to this contract of union; as to whether they had the authority to invoke Parliament to give them the legislation which is now before us for our consideration. I am dealing only with the Presbyterian Church, because the other churches seem to have recognized the desirability of proceeding with this Union. I have heard no dissent as to the action taken by the Methodist Church and the Congregational Church.

As far back as 1898, I think, the question of union was suggested. The promoters of the movement, recognizing the enormity of the task before them, at once proceeded to make arrangements to obtain a pronouncement of their people upon the subject. As we can all very well appreciate, this involved an enormous amount of work. It involved getting into contact with the adherents of the different Churches throughout the Dominion from the Atlantic to the Pacific. The movement did not assume concrete shape apparently until 1911, when a vote was taken by the Presbyterian Church upon the general subject of union. In that vote of the 287,944 communicants, 106,755 voted for and 48,278 against. In other words, the majority in favour of it was almost 3 to 1. Now, honourable gentlemen, if this had been an election, the minority would have lost its deposit.

I want to point out that what has been done in connection with this proposed union is done upon the best established principles of representation that we have. The law of the majority governing is a fundamental principle upon which all government is based, and all business as well. Although it may seem autocratic or arbitrary at times, yet the majority must rule and the minority must bow to the decision of the majority, even though they do it with Christian resignation. When I say they must do it, I do not state that as an artificial principle. It is a principle of human nature. It is not because we lay it down in an Election Act or in any of our well-considered laws that that principle is enforced. It is the law of human nature. Wherever you go, amongst a primal tribe who know not civilization, or into the highest stages of civilization, you find that law asserting itself. We cannot get away from it, and it must be observed. Immediately we begin to tinker with that principle, upon which our civilization is founded, we court the most mischievious results.

When the Presbyterian Church, by that very emphatic vote, announced that they were in favour of union, there was apparently no doubt in the minds of the Presbyterian body that union was inevitable. Not only was it inevitable, but it was clearly the desire of the body that it should be carried into effect.

A similar vote was taken in 1916. The principles or conditions of union were somewhat varied. The result of this vote was substantially the same. There were 106,534 communicants who voted in favour of the proposal as against 69,919 opposed to it. That in itself was a plebiscite, according to the policy of the Presbyterian Church. They speak through their General Assembly. That General Assembly speaks for the Presbyterian Church precisely as Parliament speaks for the people of Canada. When Parliament pronounces a judgment in the form of a statute upon any subject, who dreams of saying that Parliament has not the authority to make that pronouncement? Who dreams of saying that Parliament has no such authority because the party in office did not represent a majority of the people? We all know, honourable gentlemen, that under our peculiar system of voting there have been occasions when the dominant party represented a minority of votes in Canada.

Hon. Mr. GILLIS: Will the honourable gentleman allow me just a word? There is a vast difference in the two positions. In that case an actual vote of the people is taken. In the other case there is no vote of the people. The appointment of delegates to the General Assembly is a very different thing.

Hon. Sir JAMES LOUGHEED: Of course, if my honourable friend is under an impression of that kind, it is hopeless for me to try to convince him. My honourable friend reminds me of that good Scotch Calvinist who said that he was open to conviction, but he would like to see the man living who could convince him.

I have pointed out what was the result of the plebiscite, so to speak, of the Presbyterians of Canada upon this question. As I say, their highest court is the General Assembly, which is representative of an equal number of ministers and laymen. Furthermore, in order that all shall assume more or less responsibility, there is a system or principle of rotation, whereby the representatives at one General Assembly are not representatives at another.

In 1916 the General Assembly pronounced in favour of Union by 404 against 90.

Hon. Mr. McCOIG: The honourable gentleman will admit that wise men change their minds.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. McCOIG: In 1917 Canada pronounced in favour of the Conservative or

Union Government handling the affairs of this country.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. McCOIG: In 1921 they wiped them out of existence. The same might apply to a vote on Church Union.

Hon. Sir JAMES LOUGHEED: I have no doubt the public will change their minds as to the Government which my honourable friend is supporting, and which was elected in 1921.

Hon. Mr. MURPHY: Would they not have a right to do so?

Some Hon. SENATORS: Certainly.

Hon. Sir JAMES LOUGHEED: So that if those forming the Union ever wish to go back to their first love, there is nothing at all to prevent the Union from being dissolved. But we are discussing now the vote on the Union—

Hon. Mr. McCOIG: But may I say to the honourable gentleman that the question he is discussing is not relevant to the motion that is before the Chair. The honourable gentleman is talking on Church Union, and the Committee is considering how the ballot should be taken.

Hon. Sir JAMES LOUGHEED: I am coming down to that point. The essential consideration is whether the Presbyterian Church had or had not the right to ask for the Bill which is before this House to-night. I say they had. I say they were authorized to ask for it by reason of the votes of their adherents and by the four votes of their General Assembly. I am pointing this out with a view of convincing my honourable friend from Kent (Hon. Mr. McCoig) if I can, that they had the authority to ask for this legislation.

Hon. Mr. McCOIG: But that was in 1916.

Hon. Sir JAMES LOUGHEED: We will come down to 1924.

Hon. Mr. McCOIG: Are they not entitled to a vote in 1924?

Hon. Sir JAMES LOUGHEED: Yes, we will come down to 1924.

Hon. Mr. McCOIG: Are they not entitled, as intelligent people, to have the privilege of voting again?

Hon. Sir JAMES LOUGHEED: Will my honourable friend just permit me further to convince him if I can? I am afraid he belongs to the same school as my honourable friend from Saskatchewan (Hon. Mr. Gillis).

Hon. Mr. McCOIG: That is only sarcasm.

Hon. Sir JAMES LOUGHEED: In 1916 there were 404 who voted in favour as against 90 opposed. That is 4 to 1 in the General Assembly. In 1921 there were 414 who voted in favour as against 107. In 1923 the vote was 407 for and 129 against. In 1924, since this Bill was submitted to Parliament for consideration, 427 voted for and 96 against.

Hon. Mr. GILLIS: Mr. Chairman, I rise to a point of order. The honourable gentleman had an opportunity on the second reading of this Bill to give this harangue on the general question of Church Union. Now we are considering the question whether or not a vote is to be taken in a certain way. We are dealing only with a specific section of the Bill, and that is what is before the Committee at the present time. I think the honourable gentleman should confine himself to a discussion of that particular question.

Hon. Sir JAMES LOUGHEED: My honourable friend apparently does not want the information that is forthcoming on this subject.

Hon. Mr. GILLIS: We know it all.

Hon. Sir JAMES LOUGHEED: I thought my honourable friend would surely not cast his vote on this subject without being fully apprised of the attitude of his Church upon it.

Hon. Mr. GILLIS: I know every phase of it.

Hon. Sir JAMES LOUGHEED: Well, honourable gentlemen, the votes which I have read represent the feelings of those four meetings of the General Assembly—

Hon. Mr. GILLIS: I wish to insist upon my point of order, Mr. Chairman.

The Hon. the CHAIRMAN: If I have to decide the point I am afraid my decision will have to be that what we are discussing now is clause 10. I have no doubt that the honourable leader on this side of the House will come to the clause very soon.

Hon. Sir JAMES LOUGHEED: Yes; I assure my honourable friend the Chairman that I am rapidly arriving there, and I am most desirous that we should lay a proper foundation for a consideration of that clause.

Hon. Mr. McCOIG: I think, Mr. Chairman, that the honourable leader of the Opposition is somewhat late with his address. I do not believe this is an opportune time for him to deliver the prepared speech he is giving us on this occasion.

Hon. Sir JAMES LOUGHEED: My honourable friend is only delaying me. I should have reached my point long ago but for him.

The figures I have given represent 1,672 votes in favour as compared with 422 against. So much, honourable gentlemen, for the foundation which I would lay, to establish the right of the Presbyterian body to ask for this legislation.

Now let us look at the question before us. Section 10 of the Bill makes provision as to how the vote shall be taken, but my honourable friend from Middleton (Hon. W. B. Ross) and those who agree with him seem to think that the highest court of the Presbyterian Church should be divested of its authority or deprived of freedom to exercise its own discretion, and that the will of this body should be imposed upon it.

Hon. W. B. ROSS: That is what it is here asking for.

Hon. Sir JAMES LOUGHEED: No, it is not. Those who ask for this Bill do not ask this Parliament how they shall vote. They have not come here for that purpose.

Hon. W. B. ROSS: They are asking for a vote in section 10.

Hon. Sir JAMES LOUGHEED: They want to have authorized a vote of the congregation dealing with their property. Is Parliament to undertake to tie them up in a hard knot—in a knot which would render it impossible for a vote to be taken upon the subject in any way? I say unhesitatingly, and without fear of successful contradiction, that if my honourable friend, with that astute legal mind of his, had devoted twelve months to devising how the purpose of this Act could be defeated, how members of a congregation could be deterred particularly from expressing their opinion upon the subject, he could not have evolved a more complex or more successful plan to attain his object. What does my honourable friend propose as against what the Bill calls for? My honourable friend introduced his amendment by making reference to the legislation which had been passed by various provinces, and not only was he himself under the impression, but I think he left the impression upon this House, that it was impossible to give effect to the legislation of the different provinces as to the congregation meeting. Am I right in my estimate?

Hon. W. B. ROSS: No, I do not agree with that. What I say is that this is the dominant legislature, and what this House says, and not what the provinces may say, is to be done. Of course, if you choose to delegate your authority to the provinces, that is another thing.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend that, as he already knows, six provinces have already enacted legislation upon this subject, and they have dealt with this particular clause, or what is substantially the same. Some of them have departed slightly from it, but its principles have been observed. The clause as prepared by the Union body reads as follows—and if honourable gentlemen will compare it with clause 10 they will see that it is very similar:

> Provided always, that if any congregation in connection or communion with any of the negotiating churches shall, at a meeting of the congregation regularly called and held within six months after the coming into force of this section, decide by a majority of votes of the persons present at such meeting and entitled to vote thereat, not to concur in the said union of the said churches, then and in such case the property, real and personal, belonging to or held in trust for or to the use of such non-concurring congregation shall be held by the existing trustees, or other trustees elected by the congregation, for the sole benefit of said congregation. Should such congregation decide in the manner aforesaid at any later time to enter the union and become part of The United Church, then this Act shall apply to the congregation and all the property thereof from the date of such decision.

This clause has been adopted, with some slight amendment, by the six provinces that have passed provincial bills, which are likewise before us—not for our consideration, but for our study. The province of Manitoba practically adopted the clause. The province of Saskatchewan amended it as follows:

> Provided that if at such meeting it shall be so decided, such vote shall be taken by ballot in such manner as the meeting may determine.

That is, the meeting of the congregation was to decide whether it would be taken by ballot. Under the Saskatchewan Act, they have the authority to say whether the vote shall be taken by ballot or not; and I understood my honourable friend from Saskatchewan (Hon. Mr. Gillis), who has directed our attention to this subsection, to express more or less satisfaction with that amendment.

Hon. Mr. GILLIS: I made a statement of the existing provision.

Hon. Sir JAMES LOUGHEED: The province of Alberta amended it as follows:

> The vote shall be given by a show of hands, or upon the request of 25 per cent of the persons present at the meeting and entitled to vote thereat, by ballot, but the ballot shall only be taken when 25 per cent request the same.

The Province of Prince Edward Island passed that clause in the legislation, I understand, without amending it; likewise the province of New Brunswick.

Now, if we amend this Bill, what have we before us? This is a peculiarly provincial matter. The regulation of that meeting has to do with property and civil rights: it is not a question for this Parliament to interfere with; it is peculiarly a provincial question. Would my honourable friend seek to impose upon individulas in a province obligations of this kind in face of the authority or jurdisdiction of the province fully covering it, and thus make it ultra vires of this Parliament?

Now, what have we before us, if my honourable friend's long amendment should be passed—in itself it is equal to an Election Act, almost as intricate and complex as the Election Act we have on the Statute Book—if that should be passed, we have those provinces that have passed legislation within their competency as to how this meeting shall be called, and on the other hand we have the Dominion Act with the cumbersome amendment of my honourable friend from Middleton, saying that the other thing shall be done. It is possible to conceive that there can be two authorities legislating upon this one subject? Yet that will be the case.

Hon. W. B. ROSS: That is what you have done.

Hon. Sir JAMES LOUGHEED: If you want to plunge this Union of religious bodies into untold litigation, you cannot adopt any more fertile method than what is proposed. Instead of our trying to simplify this legislation and saying to these people, "You can regulate your own congregational meetings," we impose upon them legislation in entire contradiction to the law of the Province, and entirely repulsive to themselves, against their protest, and which I feel satisfied would defeat this Bill.

Now, it has not been thought out how this amendment would be brought into operation; but let honourable gentlemen visualize a congregational meeting about to be held six months after this Act comes into operation. The meeting is to determine the question whether the congregation concurs or does not concur in the Union—as to whether it will go in or out of the Union: As I heard my honourable friend hastily read the amendment this afternoon, the shepherd of the flock of course becomes at once the electoral officer. He prepares his voters list. I am not exaggerating this, honourable gentlemen, because that must be done. Then this list must include all who belong to the congregation. I do not know what the qualification for voting may be; but the voters are not to be present at the congregational meeting; they may be scattered to the four corners of the earth; if they have been members of that congregation, he has to prepare the list. He has to be his own revising officer.

Hon. W. B. ROSS: Not at all; the books of a Presbyterian Church show exactly who are members and who are adherents.

Hon. Sir JAMES LOUGHEED: So do the voters' lists on which the last election took place.

Hon. Mr. GILLIS: My honourable friend has not read the Bill. It provides that all members are allowed to vote. There is a communion roll on which the names of all the members appear.

Hon. Sir JAMES LOUGHEED: But who keeps the roll? Who determines whether that member is in good standing, and where that member is to be found?

Hon. Mr. GILLIS: The Clerk of the Session is always available.

Hon. Sir JAMES LOUGHEED: The shepherd of the flock is the electoral officer; he is the revising officer; there is no appeal, apparently; and in due course, after he prepares this elaborate list of the two contending factions—because he would be more or less aware of the fact that there will be two camps, concurrents and non-concurrents—he fixes the date for the election, and I suppose he says to the congregation, "To thy tents, O Israel, and vote upon the subject!" They begin to vote. Now, who is to determine whether a vote which purports to be the vote, say, of John Smith, is really the vote of John Smith? Is there any way of verifying that? Who is going to verify it?

Hon. Mr. MURPHY: A witness.

Hon. W. B. ROSS: I would ask the honourable gentleman a question: In all such difficulties, where there is a ballot, or where you have an open vote in a meeting, how are you going positively to say that the vote was 24 or 40 against, and how many are qualified to vote, and how many are not?

Hon. Sir JAMES LOUGHEED: The person is there. If the officers of the church have the roll showing the qualification of the voter, when he is present exception can be taken; but this is a distributed ballot and does not

represent those who are to be present at a meeting. It is sent out in all directions; it is printed in a particular way, and I would like to ask my honourable friend, suppose there is an impersonation of votes, who is going to be the judge of what the genuine vote is?

Hon. Mr. GILLIS: They do not impersonate in the Presbyterian Church.

Hon. Sir JAMES LOUGHEED: I know what the intensity of adherence is, and I can imagine there being a hotter election in one of those congregations than any that have taken place in our constituencies. Now, after the vote comes in, who is to separate the wheat from the chaff, so to speak?

Hon. Mr. GILLIS: The ballot.

Hon. Sir JAMES LOUGHEED: But three or four persons may send in a ballot under one name; who is going to determine which is the genuine ballot?

Hon. Mr. GILLIS: The honourable gentleman is talking about impossibilities.

Hon. Sir JAMES LOUGHEED: Those of us who have been through elections know what the possibilities are.

Hon. Mr. McCOIG: My honourable friend does not need to insinuate that the Presbyterians would do such a thing.

Hon. Sir JAMES LOUGHEED: Well, possibly the Methodists might.

Hon. Mr. McCOIG: If the honourable gentleman wishes to assume such, he asumes a responsibility.

Hon. Sir JAMES LOUGHEED: I say, honourable gentlemen, it is utterly impossible to take this vote by this ballot system. If you want to render asunder a community under what I may term, without any disrespect to my honourable friend, the Ross ballot, all you have to do is to put this in force, and if there was any Christian charity or Christian brotherhood within that locality, it certainly will have disappeared by the time the vote is taken. I cannot imagine anything more inimical to the interests of the Presbyterian Church, and particularly that very enthusiastic remainder which is trying to preserve its identity, than the introduction of this Ross ballot. I ask my honourable friends simply to visualize, if they can, what the application of that would be to one of those congregational meetings held in some quiet rural place or in some peaceful valley when the contending factions began to come in and record their votes as to whether the service of the Lord shall be conducted under a non-union flag or under a union flag. I appeal to my honourable friend, in the interest of peace, harmony, and good government, to drop this idea of putting this mischievous system in force. If anything seems repugnant to union it is this system which has been devised for the destruction of this Bill.

Therefore, honourable gentlemen, with these few remarks I beg to express my dissent from the amendment which has been proposed.

Hon. Mr. DONNELLY: Honourable gentlemen, I will endeavour to profit by the advice given by the previous speaker, and deal with this matter in as quiet a manner as possible. Ever since this measure was introduced into Parliament I have felt disposed to support any legislation which would enable any member of the three Churches who propose to unite to enter into this union if they so desired. At the same time I have felt disposed to oppose any legislation which would compel any minority, no matter how small, to change their religious view.

I cannot agree with the contention that the majority must in all cases rule. That contention has been put forward by a good many speakers during this debate. In a matter of a purely commercial nature that is all very well, but when it comes to a question of religious convictions, I hold that a minority, however small, even though it may be but one person, is entitled to worship the Creator in any manner it thinks best.

This Bill as originally introduced had some objectionable features, in that it proposed to legislate all the members of the different churches into the United Church, and they would then be permitted to vote themselves out. It was improved before coming into the Senate, and clause 10 of the Bill provides, in a measure, that they may have an opportunity of voting as to whether they shall go in or not. My own view is that all congregations should be considered outside of the Union until they vote themselves in. The effect of the Bill, however, is that those who do not vote to remain outside will be considered as having joined the United Church.

The honourable member for Welland (Hon. Mr. Robertson) put forward this afternoon, with some heat, the proposition that Parliament should not intervene. The honourable leader on this side of the House put forward the same proposition a few moments ago. But Parliament has not brought this Bill here of its own motion. The promoters of the Bill

petitioned for its introduction and have asked Parliament to legislate on it. The fact that they have done so shows that they feel that Parliament has the power to legislate on the matters referred to in the Bill; and if Parliament has that power, it certainly has the right and the power and is in duty bound to legislate in a manner that Parliament considers to be fair and just.

Clause 10, in a measure, says that the members of each congregation may have the power to vote whether they shall join the United Church or not. On the result of that vote depends the ownership of very valuable property. The Bill as at present introduced, and as explained by the honourable member who introduced it, and by the honourable leader a few moments ago, leaves it optional with each congregation outside whether they shall vote by ballot or not. I think this is a matter in which we should have some well-defined method of voting, and it should be a uniform method. On account of the property values involved, the vote should be a matter of record. The amendment proposed by the honourable member for Middleton provides for a uniform vote, and for that reason I intend to support the amendment.

Hon. Mr. PARDEE: Honourable gentlemen, I have listened with the greatest interest, as I always do, to what the honourable leader of the opposite side of this House has had to say regarding the amendment proposed by the honourable member from Middleton. One thing that strikes me in regard to his remarks is that he seems to have entirely lost the viewpoint that this is not a business or a political matter, but a matter of religion, which goes to the root of every man's soul. He has asked us to approach this matter in an entirely independent way, without any heat of religion or otherwise; and so far as I am concerned I can do so, for I am not a Methodist, a Congregationalist, nor a Presbyterian. When an important question of this kind comes up, we should remember that in this modern world and in this twentieth century the question of religion is one of the most important; and the religion we have been taught at our mother's knee is perhaps the dearest thing that we hold on earth. Religion touches every man in a way that I could not begin to describe and that cannot be thoroughly understood. That is my answer to the honourable leader of the opposition when he talks of this being a business proposition, and talks of it as a vote of a corporation.

The honourable gentleman says that in all modern affairs the majority governs; but I want to say to him that of all things in which the minority rights should be preserved and protected, those matters of conscience which are before the Senate to-night are the most sacred, and therefore the most important.

The honourable member from Grenville (Hon. Mr.. Reid) said that very likely no member of this House took any interest in the discussions before the Committee of the House of Commons; but I wish to say, with all due deference, that I attended the sessions of that Committee very faithfully. So far as I have been able to judge, I doubt if there ever has been or will be in this country a more solid, stable, earnest band of men and women than the old Presbyterian Church brought forth. Therefore I attended those meetings and listened, and learned what I could. The whole question of union was thoroughly threshed out, the best men and the best women were ranged on one side or the other, and the most mature and serious consideration was given to the subject by that Committee; but I hold that if Union is to be consummated, the most ample fair play should be given to those who do not agree with it. The one great objection to Union was that the vote was taken in 1915. At that time, if I understand the matter aright, there was a majority for Union. At various times, and in various parts of the Dominion, other votes have been taken by cards. The objectors to Union say, and say most decisively, "Give us one more vote, and we will show you where the anti-unionists prevail, and the unionists will be absolutely defeated." But that, as I said before, I am not discussing. But, taking into consideration the fact that the amendment is here now, and that this is a great, stirring, strong political question, I want to ask this House, in view of representations that have been made, is it fair that you should to-day refuse these people the right to vote by ballot, as they see fit, and as the congregations themselves desire? I say it is not. I say that, in so far as union is concerned, if the vote were to be taken to-day, the non-concurring churches and all those who do not agree with the legislation as herein laid down, particularly in section 10 of this Bill—should without any shadow of doubt, have a right, as all other electors of the Dominion have, to poll their votes as they see fit. Do we not have, all over the Dominion of Canada, advance polls? Do we not have so many days set ahead of election day in which commercial travellers, fishermen, sailors, and others who are here, there and everywhere can come in to those advance polls and cast their ballots so that they may be counted? Why should it not be

so in the Presbyterian church? There is no rhyme or reason, no logic and no fair play, in the contention that they should not be allowed to do so.

One honourable gentleman here to-night said: "Oh, it is as fair to one as it is to the other." I say it is not as fair to the one as to the other. The man or the woman who holds his religion dear will see that his vote is cast, whereas the man or the woman into whose environment those particular tenets are coming will say: "Let them come; I will vote neither one way nor the other." To me that argument is absolutely fallacious and falls to the ground. I say again that the person who is most affected is the person who has his religious tenets at heart. He or she is the one who will see that by ballot his or her vote is counted, and he or she has the right to have the vote counted, for they are the ones that are affected most.

For all these reasons, and many others, it appears to me that an amendment along the lines of the honourable member for Middleton (Hon. W. B. Ross) is absolutely in order. I want to say again, and I cannot stress it too much, that nothing is more fallacious or wider of the mark than to say that in modern business the majority rules. I say that as between modern business and religion there is a difference as great as that between night and day. When you come to religious convictions, you come to something in every man and every woman's heart that cannot be done away with by arguments of that kind.

This is the time, when the Senate might show, as we are held up at all times as able to show, that we are here for the purpose of guarding the rights of minorities, and for that purpose only. If ever it has ever been shown that there is a constantly increasing minority —as anti-unionists say to-day, not a minority, but a majority—against Church Union, it is to-day. Then the Senate should say: "To you shall every guide be given, every need of justice be offered, in order that you may express your free and untrammelled views, and may unless you otherwise desire, be allowed to remain the entity that you are to-day." That appears to me to be the fair way, the honest way, the logical way. That should be the attitude of the Senate, and along those lines we should legislate for that great majority of a great people of a great religion. Just let me say, therefore, honourable gentlemen, with all due respect to my honourable friend from Middleton (Hon. W. B. Ross), that perhaps, as has been said here to-night, the amendment may be too long and somewhat cumbersome; yet, even if it is, I say that every word and every provision in that amendment carries out what to my mind is the fair thing to do.

It has been said by some honourable gentlemen here to-night, although I cannot understand it myself, suppose you go into a rural community and put up the amendment, the Ross ballot, as leader of the Opposition has termed it, the people will not know how to carry out its provisions. When in the name of Heaven did Canadians come to vote who could not read the English language and had not the ordinary intelligence necessary to carry out anything on the Statute Book? I have not yet seen them. We might as well apply the same statement to all general elections; yet we have no trouble in finding returning officers or in having the vote given in any municipality or subdivision counted. Why should that not be so in this case? To me it is an absolutely plain, simple amendment.

But what I want most to get at is this. I believe in autonomy. It is one of the great principles of the Liberal party. I believe, therefore, that, if the amendment of the honourable gentleman from Middleton is too cumbersome and too long and too complicated, every congregation along the line of local autonomy should have the right to say what they want and how they shall vote and when.

Hon. Sir JAMES LOUGHEED: They have that right to-day under this Bill.

Hon. Mr. PARDEE: Not at all.

Hon. Sir JAMES LOUGHEED: There is no restriction placed upon the system of voting.

Hon. Mr. PARDEE: There is a restriction placed upon them. Under the Bill they have not the right to distribute a ballot so that non-attending members at that congregational meeting shall vote. There is no shadow of doubt about it.

Hon. Sir JAMES LOUGHEED: My honourable friend a moment ago said that every congregation voting should have the right to say in what manner they should vote by ballot.

Hon. Mr. PARDEE: Quite so.

Hon. Sir JAMES LOUGHEED: That has been conceded.

Hon. Mr. PARDEE: No.

Hon. Sir JAMES LOUGHEED: Now my honourable friend talks about distributing the ballots.

Hon. Mr. PARDEE: Yes, I do, and that is my point. What I am endeavouring to justify before this House is the position that those who cannot be present at a meeting called at a particular time on a particular day shall have the right to vote and I say that ballots should be distributed for that purpose. I also say that no congregation or no body has a right to say, simply because you are not there on the spot, in person, that you shall have no voice as to what shall become of your religion. I say it is the height of injustice—

Hon. Mr. ROBERTSON: May I ask my honourable friend if he would be willing to adopt a suggestion to the effect that in addition to those attending the congregational meeting, if the congregation so determined, the ballot should be sent to the absentees.

Hon. Mr. PARDEE: Certainly I would. Therefore I propose to move this amendment to the amendment:

The vote herein provided for shall be taken by secret ballot in such form and manner and at such time within the limit prescribed by the Act as may be decided by a majority of the congregation duly assembled for that purpose; provided, however, that

(a) At least thirty days prior to the date upon which the ballots are to be counted, the person authorized so to do shall send by registered mail to each member of the congregation whose address is known

(i) a ballot paper;

(ii) an envelope marked on the outside "ballot paper";

(iii) full instructions as to the method and procedure of voting;

(iv) a form of declaration to be signed by the voter to the effect that the ballot returned was signed by the voter.

(b) Every ballot paper when marked shall be enclosed in the said envelope provided for the purpose, and shall be mailed to, deposited with, or otherwise returned to the person or persons authorized to receive the same as provided by the instructions issued under clause (a) (iii) hereof;

(c) The form of declaration as provided by clause (a) (iv) hereof duly signed by the voter and witnessed as to the signature of the voter, if so desired by the instructions issued, shall be returned with the ballot paper but shall not be enclosed in the envelope marked "ballot paper."

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman tell us what is the difference between his amendment and the amendment of the honourable gentleman from Middleton?

Hon. Mr. PARDEE: I do not provide in any way whatever as to what form of ballot shall be used, but leave the whole question to be settled by the congregation that assembles to consider the matter. As I said, local autonomy should govern.

Hon. Mr. DANIEL: Honourable gentlemen, the amendment that has been brought before us by the honourable gentleman from Middleton (Hon. W. B. Ross) is a very long one, and I am quite sure that no member of this House, from simply hearing it read, was able to take it all in. For that reason I am induced to call the attention of the Senate to the fact that this whole amendment is out of order, because no notice of it has been given. I read rule 130:

No important amendment may be proposed to any private Bill, in a Committee of the Whole or at the third reading of the Bill, unless notice of the same shall have been given on a previous day.

I understand that no notice has been given, and I ask the Chairman to give us his decision on the point of order.

Hon. Mr. LYNCH-STAUNTON: How could notice be given of an amendment to a Bill that had not received the second reading, and that we did not know was going to be taken up in Committee to-day?

The Hon. the CHAIRMAN (Hon. Mr. Beaubien): I am asked to rule whether the amendment is in order. Rule 130 clearly says that if the amendment is an important one, it may not be proposed either in Committee of the Whole or at the third reading of a Bill, unless notice of the same shall have been given on a previous day. The rule is clear; the only thing left for me to decide, if anything, is whether the amendment is an important one. Everyone, I think, will admit that the amendment is an important one. That being admitted and the rule being absolutely clear, I am bound to decide that the amendment is not in order.

Hon. W. B. ROSS: Then I would move that the Committee rise, report progress, and ask leave to sit again.

Some Hon. SENATORS: No, no.

Hon. Mr. DANDURAND: I would suggest that the motion of the honourable gentleman be not accepted, but that we either proceed to examine the other clauses of the Bill, or examine this one as well, and go through the Bill if we have time to do so, and then put it down for third reading to-morrow or on Monday. Then notice could be given of the amendment.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, what is the use of insisting on a technicality of this kind when it is only postponing the matter and incurring another debate? The question will come up again, because the honourable gentleman proposing the amendment will give notice to-night. If you could defeat the amendment, there might be some object in it; but it is only being postponed.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I think there is more than that in it. I have a fairly clear head, and my one ear at least is all right yet; but for the life of me I do not know the scope and meaning of either of these amendments. They are too long. I cannot get them into my noddle at all. The purpose of giving a day's notice is to prevent us getting into a condition of that kind. That the rule requiring notice is a good one is proven in this case. Upon a very important point, probably the most important section in this Bill, there is a great diversity of opinion, and opinion is held very tightly and very strongly on each side. We have, in addition to the main motion, two methods by which to test the feeling of this House. Now, it is certainly useful that we should have 24 hours' notice of those motions, and have them before us long enough before we are called upon to make a decision on one of the most important points in the whole Bill. I do not believe in choking off a vote. I think that this notice is quite proper, and that the raising of the point by the honourable member for St. John was useful; but I am not one who wishes to prevent this House from having a full, free, open chance to vote upon these amendments and upon this section. Why, then, if we are to do our business, might we not let this section stand for the moment, and go on with the other parts of the Bill? To-morrow we shall have had notice and we can come in armour and finish the fight.

Hon. Mr. LYNCH-STAUNTON: I would like to ask the Chairman if this notice for to-morrow, given while we are in Committee, is a sufficient compliance with the rule, or must the notice be given in the House, before it goes into Committee?

The Hon. the CHAIRMAN: I believe that if it is given on one day, it will be valid for the next day.

Right Hon. Sir GEORGE E. FOSTER: That is right.

Hon. Mr. LYNCH-STAUNTON: Even after the House has gone into Committee?

Right Hon. Sir GEORGE E. FOSTER: I said twenty-four hours, but what I meant was from one day to another.

The Hon. the CHAIRMAN: Shall section 10 stand?

Hon. Mr. ROBERTSON: I move, Mr. Chairman, that section 10 stand until the necessary time has elapsed, so that the Senate may take up the amendment in the regular way and discuss it fairly and fully. I am sure there is no desire on the part of any honourable gentleman to prevent all necessary time and consideration being given to these amendments. But I do respectfully object to the Committee rising when we can proceed to deal with the other clauses, which is no way conflict with this.

Section 10 stands.

Sections 11 to 27, inclusive, were agreed to.

Section 28, paragraphs a and b were agreed to.

On section 28 (c)—declaration:

Hon. Mr. REID: I want to understand this subsection. It states:

> That the United Church by virtue of its independent and exclusive right and power to legislate in respect of the matters mentioned in the next preceding subsection has the right to unite with any other church or religious denomination without loss of its identity upon such terms as it may find to be consistent with the principles, doctrines and religious standards set forth in the Basis of Union, or any amendment thereof made by the General Council under the provisions of the Basis of Union.

I do not know whether that clause is not too far-reaching. In some provinces of the Dominion there may be a question as to the union of other denominations, and by this clause the United Church is given the right to take over any other church without coming to Parliament again. It strikes me that this power is too far-reaching—if by a decision of a general assembly of clergymen they may take in another body without its membership really wishing to join. In other words, the vote of the clergymen would decide that a Church should enter the Union without a vote, as is being decided in this case. There would not have been any trouble over this whole matter if another vote had been taken on the question of Church Union within the last three or four months. The United Church may do the same with some other church. As far as I am concerned, it does not make much difference to me now, because the denomination that I belong to is wiped out; but I am speaking for minorities in other congregations who may come under this Bill.

Right Hon. Sir GEORGE E. FOSTER: It only gives them the right to do it.

Hon. Mr. REID: It gives them that right, I know; but they are now getting rights that may be exercised, and may be differently interpreted, in twenty, thirty, or forty years from now. We should legislate with a view to what may happen in years to come. I hope that never again, as long as I live, shall I see the people of this country thrown into

such consternation and ill-feeling as this Bill certainly is causing. I agree with what my honourable friend the leader has said, that by what the Senate does now the people will judge. For that reason I did appeal, but without result, that the Senate would give the same consideration to this measure as has been given to every other Bill. But it is railroaded right through in one day. There is not a member of the Senate who can go forth and say that the Senate of Canada, in dealing with this Bill, did justice to the minority. The people will say: "Your honour was at stake; we trusted you to see that justice was done." They trusted that the Senate would do as my honourable leader has said, that is treat fairly the Bills that come before us. There is no Senator who can walk out of this Chamber and say that the minority were given justice. This Bill has been treated simply as a scrap of paper, and it is being put through holus-bolus, without any consideration whatever.

Hon. Mr. DANDURAND: If my honourable friend had desired any section to stand, the Committee would have been quite agreeable, I am sure.

Hon. Mr. REID: Well, I would like to hae this section stand, in order that it may be given further consideration. But the injustice has been such, in regard to anything that I have asked, that the Senate will probably pass this clause as it has passed the preceding sections of the Bill. The Bill has not been even read in this Chamber. Only the marginal notes have been read, and the Bill has not been submitted to this House like any other Bill that we have dealt with. In the interest of minorities in the future, I would like to see that clause stand anyway, in order that we may have a little chance to consider whether or not there is anything in the point I have raised. If the Committee does not accept my suggestion, then let the marginal note be read, and let this go through with the rest.

Hon. Mr. ROBERTSON: My honourable friend from Grenville states that it is not customary for the Chairman of the Committee of the Whole to read merely the marginal notes. I am sure that, on reflection, the honourable gentleman will recall that that is the usual practice; but any honourable member at any time has a perfect right to request that the whole section be read.

Paragraph c of section 28 of the Bill is in keeping with the Act passed by the British Parliament in 1921 at the request of the Established Church of Scotland, in anticipation of its union with the United Free Church. That Act of the British Parliament simply defined the powers of the Church of Scotland in the event of the union. In the first instance, it is not beyond the bounds of possibility that some further union of churches may occur in Canada in years to come, because there were certain other church organizations which it was at one time anticipated might become parties to this Union movement. The effect of this clause, as I understand it— and I think I understand it correctly—is simply permissive. It makes clear the position of the United Church in the future, should unions with other churches occur. It is certainly true that any uniting body must in the first place exercise its own discretion and express its willingness to unite before the law can possibly operate. I see no necessity for having the clause stand, but I will not object to allowing it to stand if my honourable friend insists.

Hon. Mr. REID: The powers are large. I would not have asked even that this clause be deferred if the Bill were not being allowed to stand. The honourable gentleman even wants this section to go through, although the Bill must come up again.

Hon. Mr. ROBERTSON: I did not say that.

Hon. Mr. REID: I move that it stand, in order that we may have a chance to discuss it.

Hon. Mr. ROBERTSON: There is absolutely no necessity for the honourable gentleman to make any motion, because the offer was made that this clause be allowed to stand if he so desired. My honourable friend is surely taking a position that is calculated to put those in charge of the Bill in a wrong light before the House and on the record, and I object to that most strenuously.

Paragraph c of section 28 stands.

Section 29 was agreed to.

On Schedule A—the basis of Union:

The Hon. the CHAIRMAN: It is your pleasure, honourable gentlemen, that the Committee rise?

Hon. Mr. CASGRAIN: There are the Schedules. Schedule A contains the Doctrine. I submit that we cannot possibly alter that. We are not competent to change the dogma.

Hon. Sir JAMES LOUGHEED: Oh, yes, we are.

Hon. Mr. REID: Of course, I am not asking for a change of doctrine. This is a new Church being organized, and the doctrine is laid down. I only wish to point out that Parliament is now making a doctrine to which people must subscribe if they would be members of this new Church. My honourable leader says this is not a religious question—that it is simply the granting of a charter. We are certainly laying down a religious doctrine, to which any man wishing to become a member of the Church must subscribe. Surely that is a religious question.

Schedules A, B, and C were agreed to.

Progress was reported.

POST OFFICE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 189, an Act to amend the Post Office Act.

He said: This Bill alters the rate charged for the registration of letters and the compensation for losses. The clause which is sought to be amended reads as follows:

(k) prescribe and enforce such regulations as to letters directed to be registered, as to him seem necessary, in respect to the registration of letters and other matter passing by mail, as well between places in Canada as between Canada and the United Kingdom, or any British possession, or any foreign country, and to the charge to be made for the same, not exceeding ten cents per each letter or article; and to compensate for loss not exceeding twenty-five dollars for each registered domestic article.

It is proposed to strike out the words "not exceeding ten cents per each letter or article," and to insert the words "and to compensation for loss not to exceed one hundred dollars in any one case" in place of the words "and to compensate for loss not exceeding twenty-five dollars for each registered domestic article."

There is already provision in the Post Office Act for insuring parcel post against loss not to exceed $100 in any one case. The compensation for loss of a registered article, however, is restricted to $25, and the proposal is to extend this to $100, and thus make the limit of compensation uniform in all cases. This will give added protection to the public:—there is considerable demand for such protection particularly as it is already afforded in the case of parcel post.

A scale of fees will be fixed to cover varying amounts of indemnity.

Hon. Mr. ROCHE: Honourable gentlemen, I would appeal to the honourable leader of the House whether the increased registration fee would not operate to cause a reduction of the revenue. On account of the high price, people would avoid registering. That is a matter for consideration.

Right Hon. Sir GEORGE E. FOSTER: It is an insurance matter entirely. The limit of insurance is raised, and the fee is raised accordingly.

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. Blain 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.

INDIAN RESERVE LANDS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 191, an Act for the settlement of certain questions between the Government of Canada and Ontario respecting Indian Reserve Lands.

He said: The purpose of the Bill is to confirm an agreement between the Dominion of Canada and the Province of Ontario defining the respective rights of each touching the disposition of lands in Indian reserves in the Province which are surrendered by the Indians in order that they may be disposed of for the benefit of the band. The respective rights of the Province and the Dominion have been in dispute in more than one case which has reached the Privy Council, and, as appears in the agreement scheduled to the Bill, a partial settlement of the points in dispute was made in 1902 by an agreement between counsel engaged in one of these appeals on behalf of the Dominion and the Province respectively. Certain other points were, however, left unsettled by that agreement and it was never confirmed by statute. It is now proposed to give it legislation sanction and to settle those points with which it did not finally deal.

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

THIRD READING

Hon. Mr. DANDURAND: I move that we dispense with the Committee stage, and vote the third reading of the Bill now. It simply deals with the ratification of this agreement.

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

IMMIGRATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 195, an Act to amend the Immigration Act.

He said: As this Bill covers quite a number of amendments, I would suggest that immediately after the second reading, we go into Committee of the Whole, where I will explain each of the amendments.

Hon. Sir JAMES LOUGHEED: I would suggest that this Bill be not proceeded with to-night. It contains matter which has been discussed time and again in the Senate—provisions upon which we have disagreed, and which have been the subject of difference between the two Chambers. I do not think it is desirable to go into a discussion of them to-night.

Hon. Mr. DANDURAND: I suggest that we go into Committee, and if we find that we can pass all the other clauses we will have advanced the Bill to that clause, and report progress. I know the clause to which my honourable friend refers; it is No. 21.

Hon. Sir JAMES LOUGHEED: I am still of the same opinion as I was on the other occasions when this matter came up. This is a very important Bill. The question of immigration is one that should be very seriously considered, not only by members of this House, but by Parliament generally, and to deal with an important measure of this kind in this very small House would not be giving that public service which I think this Chamber should attach to legislation of this importance. Put it down for to-morrow, and if we have a respectable House we can go on with it.

Hon. Mr. DANDURAND: We may put it down for to-morrow or Monday.

Hon. Sir JAMES LOUGHEED: You may take the second reading, subject to honourable members not committing themselves to the policy of the Bill.

Hon. Mr. DANDURAND: It is an omnibus Bill, with quite a number of amendments. So we are not binding ourselves to the principles of the Bill.

Hon. Sir JAMES LOUGHEED: It embraces many important principles.

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

CITY OF OTTAWA BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 242, an Act to authorize an Agreement between His Majesty the King and the Corporation of the City of Ottawa.

He said: The Agreement of 1920 provides for an annual payment to the City of $75,000, during a period of five years, and in consideration of that payment and of a grant to the Ottawa Improvement Commission of $150,000 for a period of ten years, the City agreed that the payment of the said sum of $75,000 annually should be in full payment, satisfaction and discharge of all claims and demands by the City on the Government in respect of water supplied for street sprinkling, for fire protection to any of the buildings or premises owned or occupied by the Government, and for use in Major's Hill Park, and in such other parks and driveways as may be owned or maintained by the Ottawa Improvement Commission.

The Government undertook to maintain and keep in repair certain bridges and sidewalks, and agreed to be subject to local improvement rates. This agreement repealed the exemption from income tax of officers and servants of the Government, resident in Ottawa.

Hon. Sir JAMES LOUGHEED: It is an extension for a year of the present contract, is it not? Is there any other agreement between the City of Ottawa and the Government of Canada?

Hon. Mr. CASGRAIN: It is extending it for one year.

Hon. Sir JAMES LOUGHEED: Does this cover the entire contract for water service and otherwise?

Hon. Mr. DANDURAND: With my honourable friend's permission, I will move the second reading, and will get the information he desires for to-morrow.

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

THE BRITISH PREFERENCE

MOTION AND DISCUSSION

The Senate resumed from July 9 consideration of the motion of Hon. Mr. David:

Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be

repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

Hon. O. TURGEON: Honourable gentlemen, at this advanced hour of the night, and after a full day of consideration of one of the most important measures that has come before the Parliament of Canada, I do not believe I can command for a very long time the attention of honourable gentlemen, and you may rest assured that I will be as brief as possible, though there is an aspect of this question which has not been brought to the attention of Parliament, and which to my mind has not been sufficiently brought to the attention of the public in the press of Canada.

Before I enter upon my subject, I wish to say that it grieves me to be in opposition to the honourable gentleman from Mille Iles (Hon. Mr. David) who has proposed this motion. If there is any one in this assembly who feels indebted as a Canadian to the honourable gentleman from Mille Iles for the great work he has done during his carrer, both as a contemporaneous historian and as a man of literature, it is myself. His reputation is above eulogy, and I can only say that no one admires more the work and the career of the honourable member more than the member for Gloucester, New Brunswick. I wish him many more years—I wish him a complete century of life such as he has given to Canada so far. I wish also to refer to another octogenarian, the honourable gentleman from St. Hyacinthe (Hon. Mr. Dessaulles), who in useful activity is completing a century of life, and who is ready to commence a second. Their appearance is an inspiration; and I may be permitted to say that their presence casts upon me the ray of hope that I may be able to follow their example, if Providence gives it to me to do so. After these remarks, I trust that the honourable gentleman from Mille Iles will allow me the liberty—sacred, to my mind—of expressing my views on this question of the preference to the British Empire.

I may say at the outset that when Sir Wilfrid Laurier and the Honourable Mr. Fielding, his Minister of Finance, on reaching power, introduced the British preference, both of them did so without asking or expecting anything in return from the British Empire. They did it with the impetus behind them of Canada's interest combined with the interest of the British Empire. They saw there an opportunity for an expansion of trade, which was the first thing that animated the great Sir Wilfrid Laurier and his brilliant Minister of Finance, who is still living and who is to-day enjoying the reward of his useful life.

Sir Wilfrid Laurier expected nothing from Great Britain. We know that when he introduced this policy he could not expect anything from the Government of Great Britain in return for the privileges extended by him to the mother country. Conditions in Great Britain at that time were different; economic conditions in that country were such that Sir Wilfrid Laurier expected nothing in return. Great Britain offered nothing but still she was giving us her markets free while we were imposing upon her products duties as high as those imposed upon the products of other foreign countries. If there was one country that should have been given a preference first of all, it was Great Britain.

One may say that some means might have been devised of obtaining something for Canada in compensation. The considerations were different from the Canadian and the British point of view. Under the British preference we obtained an advantage for the consumer in Canada, in reducing the price of his commodities which came from Great Britain, and which otherwise would very often have come from other countries.

It has been said that in his last years Sir Wilfrid Laurier regretted not having obtained anything in return. It is possible that he imparted some secrets to others that he did not impart to me; but from his pronouncements upon every occasion it can be learned that he gave freely, first of all in the interest of Canada, and afterwards in the interest of Great Britain.

Looking at another aspect of the question, we find that Great Britain did give something in return. Her markets were open to the world, and when she gave us something, she had to put a duty or a tax on goods coming in from other countries. But to-day, as I have said, conditions are different, and when we ask Great Britain to meet the demand of our Canadian people for a return, we find that she is in an impossible position and is unable to impose a duty upon the necessities of life on the people of Great Britain. This is true more particularly of the foodstuffs, which would have to be taxed if any preference at all were given to Canada.

When Sir Wilfrid Laurier granted the preference, he also offered it to other nations of the world, so that Canada might have an opportunity of extending her trade—an opportunity which she needs to-day more than she needs a tariff or anything else. It is only

by the expansion of foreign trade that Canada with her immense resources, extending over a territory covering thousands of miles, can possibly expect to reach a position of wealth and importance in the world. We have a country of unlimited resources, extending from the Atlantic to the Pacific; we have also the resources of the sea; but we cannot expect to put all those resources to a profitable use unless we can extend our trade with foreign countries. It was with that end in view that Sir Wilfrid Laurier offered the British preference to any country that was willing to accept the same arrangement that was offered to great Britain.

It is true that at the Conference of the Premiers and representatives of the different Dominions, held in England last year, resolutions were adopted by which a certain preference would be given to the Dominion of Canada in return for the preference given to the mother country. But our Prime Minister, the Right Hon. Mackenzie King—and I say it with pleasure and admiration—took the same position that Sir Wilfrid Laurier had taken, and said that the concessions offered could only be accepted provided the Government of Great Britain did not find them to be to the detriment of the people of that country. I have read in the debates that have recently taken place in the British House of Commons, an exposition by Sir John Simon, who is a great authority in England. What did he say? In an Associated Press despatch, dated London, June 17, I find the following:

> Sir John Simon, who spoke for the Liberal free traders, maintained that the preference system as practiced in the Dominions was quite different from the preference Britain is now asked to adopt. "We impose no import taxes except for revenue," he said, "but the Dominions adopt a high tariff wall as the very basis of their fiscal system." The preference given by the Dominions, he said, tended to decrease expenses to their own consumers, whereas the preference given by Britain tended to increase its own consumers' burden.
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> The food taxes were the most objectionable of all. He rejoiced that the British chancellor of the exchequer was doing his best to get rid of them. To talk about preference without food taxes was dodging the issue. There was no such thing here now as an anti-Dominion policy, but a great interlocking system of imperial preference would at once raise the question: "What are we going to get in return for what we grant elsewhere?

This statement, coming from a gentleman of the standing of Sir John Simon, shows the feeling of the people of Great Britain, and expresses their desire to do anything possible for Canada and the other Dominions of the British Empire. It also showed the nations of the world that Great Britain must suffer in order that some advantage might be given to Canada. We are not in a position to say that we must have a return from Great Britain for the advantages that we give her in this country.

Because I am opposed to what I might call "protectionism," I am not opposed to the industries in Canada that are necessary to Canada; and if the industrialists have expressed dissatisfaction because the British Government refused such a policy of reciprocity as is demanded at present, I must say that they are not unanimous in their condemnation. There has recently been an Empire Congress of the Chambers of Commerce sitting in London. According to a dispatch dated July 4, H. B. Mackenzie, President of the Montreal Board of Trade—with whom the honourable gentleman from Stadacona (Hon. L. C. Webster) is more intimate than I am—was present. A resolution was passed by the representatives of the other Dominions, stating:

> This Congress records with regret the decision of the British House of Commons not to ratify the preferential trade resolution passed by the Imperial Conference.

The despatch goes on to say:

> H. B. MacKenzie, president of the Montreal Board of Trade, in discussing the resolution, said that while Canada was most anxious to develop inter-Imperial trade Canadians did not wish to offer any criticism of decisions reached by the people and parliament of Great Britain regarding tariff questions affecting their own interests.
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> The resolution was passed in spite of the opposition, but the action of the Canadians has been very favourably received here.

Such to date has been the result of negotiations between the representatives of the Dominion and the representatives of the people of Great Britain.

In order to be as brief as possible I will come at once to what may be called the Canadian aspect of the British preference, which is dear to my heart, and which I believe to be essential to the prosperity of Canada. The problem of transportation is our greatest problem to-day. No real prosperity can be expected in this country until we have solved the problem of transportation, both on land and on the sea, and I say that this British preference is the foundation upon which the transportation question rests. We have to send overseas, particularly to the British markets, our wheat and other products of the land, and products of our industries as well. We have all the railroads we need.

Hon. Mr. CASGRAIN: We certainly have.

Hon. Mr. TURGEON: But we as Canadians have not been using them as we should. We have neglected them and have sent shipments by way of United States ports, instead

of using the ports of Canada, and return cargoes have come back to us through the ports of the United States, instead of coming through our own ports. When I speak of the ports of Canada I mean Montreal and Quebec on the St. Lawrence, Halifax and St. John on the Atlantic Coast, and Vancouver, New Westminster and Prince Rupert on the Pacific. I say that we can never command the trade to which we are entitled unless we ship by way of Canadian routes to Canadian ports, and use Canadian or British vessels to bring back the return cargoes.

I remember reading two or three years ago a speech which was delivered in the Senate, before I became a member, by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), himself an exporter of grain, in which he expressed regret that Canadian railways were not being sufficiently used, but said it was necessary to ship by other channels because we had not at our own ports enough trade to command return cargoes. He stated that in his own interest he had to ship by American ports because there orders were more easily and more freely secured for the return cargoes which the ships must necessarily bring back. Therefore we must take measures to have our ports and railways used to a greater extent, particularly for the incoming trade. It is the neglect of the return trade that has placed us to-day in our present position. It is to the advantage of the consumer as well as the railways to ship our products by Canadian lines, whether the Canadian National or the C.P.R.; and if we route our exports to Canadian ports we are helping to develop the return trade at those ports, and we shall be the better able to obtain that reduction of freight rates which is demanded from every part of Canada. Freight rates cannot be cut with a knife at the request of the irritated shipper or consumer. They can be reduced only by an increase of traffic on our railways. Let us use our railway lines to the utmost of our ability. Thenwe shall certainly be able in a short time to reduce the rates not only on the railways, but on the ocean as well. Ocean rates are also attracting the attention of shippers, more particularly the shippers of wheat and cattle.

In the wheat-producing provinces of the West conditions have changed. Wheat pools have been established for the marketing of wheat, and I wish them success. The wheat pool of Alberta will no doubt take advantage of the port of Vancouver. I have observed recently that the majority of the farmers of Saskatchewan have joined the wheat pool in that province. The greater portion of the wheat from Saskatchewan, as well as some of the wheat from Manitoba, will be shipped eastward. In the past the purchase and shipment of wheat has often been controlled by American buyers or traders. The shipment of our wheat, particularly from Alberta and Saskatchewan, will now be largely in the hands of our Canadian producers. It will the farmers themselves, through the men they have placed at the head of their business, who will determine the route for exports of grain, and we have reason to hope that they will be prompted by motives of patriotism to ship by Canadian channels. And it will be to their interest to do so. As soon as we secure enough trade at our Canadian ports, we shall have enough vessels bringing the return cargo to Canadian ports.

There is at the present time a great demand for lower freight rates for the shipment of cattle. I understand that the Minister of Trade and Commerce is going to Europe, if he has not already gone, in order to make some arrangement with vessel-owners in Great Britain for the transportation of Canadian cattle at the lowest possible rates. If the Minister of Trade and Commerce is able to tell the vessel-owners of Great Britain that all shipments of Canadian cattle and all shipments of Canadian grain will come by way of Canadian ports, he will soon be able to obtain more reasonable rates, because the vessel owners of Great Britain will be sure of getting an adequate return cargo. When a vessel-owner is obliged to send an empty bottom to Halifax, Quebec or Montreal for a cargo, he must reimburse himself for that expense by adding it to the rate he charges for the cargo carried from the Canadian port. If he brings to Canada a cargo, or a part cargo, whatever he earns on it is so much deducted from the rate he charges for transporting cattle or other products from Canada.

It was, as we know, the desire of Sir Wilfrid Laurier that as soon as the Transcontinental Railway was completed the British preference would be restricted to goods coming into this country through Canadian ports. Unfortunately his desire has not been carried out until recently. Last year the honourable the Minister of Finance, in order to promote trade at Canadian ports, gave them the benefit of a 10 per cent discount on the British Preference. I know that this has already done a great deal of good. The newspapers of Halifax have stated, only recently, that they observed an increased trade in their port. But I say that that is not enough, and I would commend to the honourable

leader in this House the resolution of Sir Wilfrid Laurier, which would have restricted the British Preference to goods imported through Canadian ports. I hope the honourable leader will give earnest consideration to this recommendation, and I will go so far as to ask him to transmit it to the Prime Minister and his honourable colleagues in the Cabinet. To my mind the British preference should be restricted absolutely to products brought in by Canadian ports.

Hon. Mr. DANDURAND: The British preference?

Hon. Mr. TURGEON: The British preference. No preference should be given unless the goods came by a Canadian route. That was the desire expressed by Sir Wilfrid Laurier.

Hon. Mr. DANDURAND: That principle is contained in the last preference.

Hon. Mr. TURGEON: Yes, but, as I say, it is not enough to be effective. We have the best possible ports, for both winter and summer. If there is a port which, above all, would benefit by that restriction on imports from Great Britain it is the Port of Montreal, from which our greatest export trade is done for seven months of the year, as compared with the four or five months when the Atlantic ports are most used. The Port of Quebec would also benefit by that measure, and there should be an increase of traffic on the Transcontinental Railway, which is the shortest route between Quebec and Winnipeg. I commend this to the attention of the people of Canada, and I hope my honourable leader will give this message to the Prime Minister and the honourable members of his Cabinet.

Before concluding, I wish to refer briefly to the splendid speech of my honourable friend from Stadacona (Hon. Mr. Webster). I have a great admiration for the honourable member, though I cannot accept his doctrine in every respect. His speech was undoubtedly a strong argument in favour of protection, but he will allow me to differ with him.

Hon. Mr. WEBSTER: Certainly.

Hon. Mr. TURGEON: I will not enter into all the details, but I would like to quote an authority whom he will respect, and who replies to the honourable gentleman's speech on the British Preference. I refer to Mr. G. E. Leighton, President of the Association of British Manufacturers. I will give his figures, so that they may be compared with the figures given by my honourable friend from Stadacona. Mr. Leighton sent a letter to the press in which he stated that—

—his association feels very strongly that instead of such preference being detrimental to Canadian industry as Senator Webster declared, it is on the contrary exceedingly beneficial to Canada as a whole. Admitting that wages in the United Kingdom are lower than in Canada, Mr. Leighton points out that differences in prices in the two countries make the difference not so great as is imagined.

He states that in 1923 Canada imported woollen goods from the United Kingdom to the value of $37,000,000 but says that of this amount nearly $11,000,000 was for raw materials and that it also includes up to $19,000,000 of woollen fabrics which "are raw materials for the clothing industry." To abolish the tariff on these would, says Mr. Leighton, injure the industries using them.. Further in regard to Canadian woollen industry, he states that while the value of its products in 1921 was $22,000,000, this had increased to $29,000,000, while the number of employees jumped from 6,572 to 8,049. His comment is: "That hardly looks like a dying industry."

In regard to boots and shoes, the senator declared that seventy Canadian manufacturers of these goods had been smashed lately. Mr. Leighton says it was not British imports that smashed them. Boots and shoes from the United Kingdom were valued in 1914 at $660,065; in 1923 at $415,504, and in 1924 at $712,942. Imports form the United States in those years were $3,652,662, $797,444 and $789,942 against a Canadian produce valued in 1923 at $45,000,000 approximately. British imports of boots and shoes have therefore only reached their pre-war value in 1924.

Mr. Leighton concludes: "Keep the British preference—it is worth millions of dollars a year to Canada."

These are the figures given by a British manufacturer, and I quote them in order to show that, as I stated at the beginning of my remarks, many of those imports would have come from the United States or other countries if they had not come from Great Britain. As to raw materials, the new tariff of the present Session gives the manufacturer his raw materials free, whether the product is for export or for the Canadian market.

Hon. L. C. WEBSTER: May I ask the honourable member if he has seen a recent statement contradicting the figures in the letter he has just read from Mr. Leighton?

Hon. Mr. TURGEON: I must admit I have not seen it. The manufacturer gets his raw materials free. The reduction is only one per cent, but the one per cent imposed meant two or three per cent, on account of the interest on the money deposited and the expense of collecting it. Whatever advantages may be taken away from the manufacturers by the new budget have been returned, comparatively speaking, by the admission of raw materials.

My honourable friend, speaking from his standpoint, said that tariffs can only be fought with tariffs. But as a matter of fact tariffs are only a benefit to the individuals or corporations that are benefited by them. Our manufacturers, those whom I may call the

ultra protectionists, do not want a tariff imposed against them, and consider that when other countries impose tariffs they must be fought with a counter-tariff; they must erect a wall against a wall, and raise it higher and higher all the time. I am afraid that is the precise doctrine of ultra protectionists; but it certainly is not the spirit of patriotism, or the spirit which should animate the citizens of one country towards another. Such a policy would certainly never restore peace among the nations of the earth.

The protectionists say to other countries, "If you put up a tariff, we will put one up also." That method does not accord with the ideals of the League of Nations, and I am sorry to observe that my right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster), who is such a strong advocate of the League, sanctions that doctrine, and seems to think it is consistent with the doctrine of pacifying the nations and bringing them together in co-operation in every possible respect. But in my opinion we must treat our other nations as we would wish to be treated by them. Nationalism is not enough: we must have internationalism if we are going to have peace and prosperity in the world. Therefore I say this doctrine is a false doctrine, and in these days it is even more dangerous than it was in the past. Meanwhile my right honourable friend gives great credit to the preferential trade with Great Britain; he admires the preference arrangement, and does not want it to be taken away. As he says, conditions in Great Britain are not such to-day that we should ask for any change.

I trust that the relations between Canada and the British Empire will always be those of cordial feeling and brotherhood. Great Britain has not reached the high position she has attained in the last fifty years in relation to the whole world by erecting tariff walls against other nations, but rather by her generous commercial policy. The principles of free trade and the open market have enabled her to take and hold command of the seas. Without such a policy in Great Britain the war would have been lost, and we in Canada to-day would be the humble subjects of the Kaiser of Germany. I think it was a providential arrangement that the old economic methods of Great Britain were changed, so that that country might exert such a powerful influence among the nations for world peace. I find that my right honourable friend has himself become considerable of an idealist, much more so than the majority of those whom we used to call the Tory party. In addition to his admiration for the British preference, I observe that he holds strong ideas on internationalism, as shown when he was invited to Buffalo about a month ago to attend a meeting of the National Credit Men's Association. He expressed his feelings in better language than I can command, when he said:

> We are rapidly coming to the point when internationalism will be absolutely necessary for solution of the world's business problems. We must be idealists and opportunists and remember not to divorce business from humanitarianism.
>
> Whatever your station in life be, a lawyer, a doctor, or a business man, be first of all a human being with human sensibilities. Business is not an end; it is the means of an end.

I admire those words, and I hope the right honourable gentlemen will put them in practice in Canada, and preach them in this country as well as in the United States.

I wish, above all, to call the attention of this House and the country, and the press of Canada, to the necessity of using our railways and developing our return trade as well as our export trade. I believe that the British preference is a foundation upon which rests the solution of our transportation problem, which is of the greatest importance and interest to us.

With these few remarks I thank the honourable gentlemen who have given me their interest at this late hour.

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

FISHERIES BILL

FIRST READING

Bill 66, an Act to amend the Fisheries Act, 1914.—Hon. Mr. Dandurand.

SHIPPING CONVENTIONS BILL

FIRST READING

Bill 216, an Act to amend the Canada Shipping Act, and to give effect to certain draft Conventions adopted by the International Labour Conference and the League of Nations.—Hon. Mr. Dandurand.

CUSTOMS BILL

FIRST READING

Bill 236, an Act to amend the Customs Act.—Hon. Mr. Dandurand.

FINLAND TRADE AGREEMENT BILL

FIRST READING

Bill 239, an Act respecting trade between Canada and Finland.—Hon. Mr. Dandurand.

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

THE SENATE

Friday, July 11, 1924.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

QUESTION OF PRIVILEGE

On the Orders of the Day:

Hon. GEO. H. BRADBURY: I desire to refer to an editorial in the Winnipeg Free Press. I do not think I am usually very sensitive about what the press says, but there are times when it is so unfair that it is hardly wise to allow its statements to go unchallenged. This has to do with the Branch Lines Bills, and, as the editorial is a short one, I will read it. It is headed: "The Record," and says:

> Of the senators from the prairie provinces, the following voted for the branch line bills: Calder, De Veber, Harmer, Laird, Ross, Watson.
>
> The following western senators voted against all the branch lines, following without question the lead of Sir James Lougheed: McMeans, Sharpe, Bradbury, Michener.

That on the face of it is absolutely untrue—

Hon. Mr. McMEANS: That is nothing.

Hon. Mr. BRADBURY:—because some eighteen of the Branch Line Bills were passed by this House without any vote being taken.

> Senators Schaffner and Griesbach split their votes —voting for some of the branch lines and against others.
>
> The majority vote against the branch lines, varying from 34 to 47, was made up of Conservatives with the addition of a few Liberal senators. In killing the Turtleford branch line four Liberals took a hand: Boyer, Casgrain, David and Wilson—all from Montreal. Senator Béique, of Montreal, supported Sir James Lougheed by a speech, but did not cast a vote in the division.
>
> The record shows that the destruction of these branch lines was due to a combination of Tory senators and Liberal senators from Montreal.

That is an awful combination.

> It will be noted that among the hard-boiled Tory senators who kept their worshipping eyes on Sir James Lougheed and obediently turned down their thumbs when he did, were three of our Manitoba "representatives": McMeans, Bradbury, and Sharpe.

This editorial is absolutely unfair and untrue. In the first place, eighteen of these Bills were accepted by the House.

Hon. Mr. LYNCH-STAUNTON: Does not the honourable gentleman think that editorial has given him a very creditable advertisement throughout the country

Hon. Mr. BRADBURY: I object to the criticism, for this reason. This paper is supposed to publish the facts; it is supposed to convey the truth to the public of Manitoba and the other western provinces, and I object to the manner in which it publishes what is alleged to have taken place in this House. The whole article is a tissue of misstatements, and it ill becomes the Winnipeg Free Press to cast aspersions on any honourable member of this House or of any other House, in connection with the railway situation in Canada to-day.

When the Transcontinental and the Grand Trunk Pacific lines were proposed, this paper did all it could to hide the truth from the electors, and to induce the people to accept what the Government of the day was bringing down, thus placing around the necks of the people of this country the largest part of the national railway debt of this country. This paper more than any other is responsible for the railway situation to-day, and it ill becomes it to criticize members of this House who are trying honestly to discharge their duties.

I claim that the best friends of the Canadian National Railways to-day are the men who examined carefully and fairly criticized the proposed expenditures of that system. If the members of the Senate had done less than they did in examining these 26 Bills, taking into consideration the present debt and the future responsibilities of this country, they would have been derelict in their duty to the provinces which they represent. The sooner everybody realizes that the building of every branch line in this country is adding to the already great burden of debt the better. Surely it is wise to investigate and see whether or not these branch lines are going to pay. I am only going to detain the House long enough to say that the charge that I voted against every one of these branch lines is absolutely untrue. The real facts are on record, and they will show that I voted against only two of the Bills, and supported others, some of which were under severe criticism by my own friends.

Hon. Mr. McMEANS: Honourable gentlemen, as my name has been mentioned, it is perhaps expected that I should say something. I am not quite as sensitive as my honourable friend. Of course, he has sinned doubly, as I think he voted against two of the roads whereas I voted against only one.

Hon. Mr. LYNCH-STAUNTON: Then it serves you right.

Hon. Mr. McMEANS: However, I do not think my honourable friend need worry him-

self very much, because I think an abusive article in the Free Press is a certificate of character to any man.

While I am not claiming to have had any great success in public life, the little success I have had I attribute to the fact that I was always opposed and abused by the Free Press. If that journal had told the truth I would have been even more surprised than my honourable friend is.

I do not think there is any necessity for me to say anything further, but my friend the Senator from Manitou (Hon. Mr. Sharpe), whose name is included, may have something to say.

Hon. Mr. SHARPE: I concur in all that has been said.

THE ST LAWRENCE WATERWAY.

DISCUSSION CONCLUDED

The Senate resumed from June 19 the adjourned debate on the motion of Hon. Mr. Reid:

Resolved, that the Senate is of the opinion that it is in the public interest that immediate action be taken by the Government of Canada for negotiations with the United States Government for the development of the St. Lawrence waterway to provide facilities for transporting our products to Ocean Ports at least possible cost.

Hon. W. H. BENNETT: Honourable gentlemen, I do not intend to make any extended remarks on this question, for the reason that my honourable friend from De Lanaudière (Hon. Mr. Casgrain) last year made a speech against the proposal to deepen the St. Lawrence canals, which has not yet been answered in this House. However, let the lateness of the date be my excuse for not debating at length or attempting to answer the speech of the honourable gentleman from Grenville (Hon. Mr. Reid).

The Government is now taking steps, I understand, to have a full inquiry made into the question of whether or not the expenditure that would be involved should be undertaken. Having regard to the enormous public debt to-day, I think nobody need be in fear that this work will be proceeded with for a good many years to come. The power development for eastern Ontario is of course a matter for consideration, and if some plan could be carried on without too large an expenditure of public funds, I would be willing to see work commenced along those lines.

As I said before, I do not propose to make any lengthy remarks on this subject, but shall defer what I have to say until next Session. when the Government may have some proposition before the House.

The motion was dropped.

CITY OF OTTAWA BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 242, an Act to authorize an Agreement between His Majesty the King and the Corporation of the City of Ottawa.

Hon. Mr. Bennett in the Chair.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

FISHERIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 66, an Act to amend the Fisheries Act, 1914.

He said: Paragraph (a) of subsection 2 of section 18 reads as follows:

(2) (a) The annual fee for a salmon cannery license shall be five hundred dollars and in addition, four cents for each case of forty-eight one-pound cans, or the equivalent thereto, of sockeye salmon, and three cents for each case of forty-eight one-pound cans, or the equivalent thereto, of any other species of salmon, including steelhead (salmo rivularis) packed in such cannery during the continuance in force of the license. The said five hundred dollars shall be paid before the license is issued, and the remainder of the license fee shall be paid as the Minister may from time to time by regulation prescribe.

This regulation, which was adopted, was to be part of a policy by which the licenses were to be considerably reduced and certain areas given to certain licensees. The licensees were changed, but as the policy was not adopted, the amount claimed was much higher than was reasonable. It is sought to repeal this provision and replace it by the following:

(2) (a) The annual fee for a salmon cannery license shall be twenty dollars, and in addition, four cents for each case of forty-eight one-pound cans, or the equivalent thereto, of sockeye salmon, and three cents for each case of forty-eight one-pound cans, or the equivalent thereto, of any other species of salmon, including steelhead (salmo rivularis) packed in such cannery during the continuance in force of the license. The said twenty dollars shall be paid before the license is issued, and the remainder of the license fee shall be paid as the Minister may from time to time by regulation prescribe.

I therefore move the second reading of the Bill.

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

SHIPPING CONVENTIONS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 216. an Act to amend the

Canada Shipping Act, to give effect to certain Draft Conventions adopted by the International Labour Conference of the League of Nations.

He said: Honourable gentlemen the object of this Bill is to give effect in Canada to the proposals contained in four Draft Conventions of the International Labour Conference (League of Nations) relative to the employment conditions of seamen. The four Draft Conventions referred to are as follows:

Minimum Age for the Admission of Children to Employment at Sea.

The object of this Draft Convention is to prohibit the employment of children under the age of fourteen years on vessels engaged in maritime navigation.

Unemployment Indemnity in case of Loss or Foundering of the Ship.

The object of this Draft Convention is to provide that in case of loss or foundering of vessels engaged in maritime navigation seammen employed thereon shall continue to receive payment from their employers of their regular rate of wages during any period of unemployment which may result therefrom not exceeding two months.

Minimum Age for Admission of Young Persons to Employment as Trimmers or Stokers.

The object of this Draft Convention is to prohibit the employment of young persons under the age of eighteen as trimmers or stokers on vessels engaged in maritime navigation.

Compulsory Medical Examination of Children and Young Persons employed at Sea.

It is required by this Draft Convention that the employment of any child or young person under eighteen years of age on vessels engaged in maritime navigation, other than vessels upon which only members of the same family are employed, shall be conditional upon the production of a medical certificate attesting fitness for such work signed by a doctor who should be approved by the competent authority; it is further provided that the continued employment at sea of such persons shall be subject to repetition of medical examination at intervals of not more than one year.

With these explanations I move the second reading of the Bill.

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

CUSTOMS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 236, an Act to amend the Customs Act.

Hon. Mr. DANDURAND.

He said: The object of this Bill is to allow a period of fourteen days from date of entry or arrival of brittle goods within which to claim abatement for damage. The present provision of three days has been found to be too short for proper examination and estimation of damage.

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

UNITED CHURCH OF CANADA BILL

QUESTION OF PRIVILEGE

On the motion for adjournment:

Hon. G. D. ROBERTSON: Before the House adjourns I crave the privilege of saying a word on a point of personal privilege. About fifteen minutes before the Senate met to-day an honourable member came into my room and showed me a typewritten memorandum that has been circulated to some honourable members of this House. I have since learned that it has been suggested, in some quarters at least, that I knew something about the origin of this anonymous communication that has been handed to some honourable members respecting a subject that was under discussion yesterday. The typewritten memorandum is one that to my mind should be absolutely condemned, and that we should all deplore, as I am sure we do. It reads as follows:

> Watch how the R.C's like Lynch-Staunton and Donnelly come out against union. That is inspired. You know the feeling in the West in favour of it. Can you not say a word to offset Gillis?

This bears no address and no signature. I want to say, honourable gentlemen, that so far as I am concerned, and so far as anybody that I know connected with the forwarding of the Bill referred to is concerned, we not only have had nothing to do with such work as that, but we absolutely and unqualifiedly condemn anyone who would interefere or make such statement or reference.

There are no gentlemen in this House whose views I would respect more than those of Senator Donnelly and my friend Mr. Lynch-Staunton of Hamilton; and I want to say here what I said to the gentleman who brought me this copy, that I think that that sort of tactics—and similar tactics were indulged in a few weeks ago when the Bill was discussed in another place—ought to be condemned, and if the originator could be located, he ought to be severely reprimanded.

Hon. Mr. DONNELLY: Honourable gentlemen, as my name has been mentioned in the memorandum which the Senator has just read, I wish to say that as to anything I had

to say being inspired, the statement is entirely false. I have never discussed the Church Union Bill with any clergyman belonging to the Roman Catholic Church in any way, shape, or form; nor have I ever received a suggestion from any layman of the Roman Catholic Church as to what stand I should take in this matter. If I received any inspiration at all, I might say that ten minutes before I spoke in this Chamber a personal friend of mine of 30 years' standing, a prominent Presbyterian, met me at the door, and did talk the matter over with me. I am not going to give you his name, but he is a man who has been very prominent in the Orange Order for a great many years. So that if I received any inspiration, that was the source. The gentleman to whom I refer is an old personal friend of my leader here, Hon. Sir James Lougheed.

Hon. Sir JAMES LOUGHEED: I will have to see him about that.

Hon. Mr. DONNELLY: I just wish to emphasize that I never discussed the matter in any way, shape or form, with any clergyman of my Church.

The Senate adjourned until Monday next at 3 p.m.

THE SENATE

Monday, July 14, 1924.

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

Prayers and routine proceedings.

BANK BILL

FIRST READING

Bill 240, an Act to amend the Bank Act.—Hon. Mr. Dandurand.

ASSISTANT COMMISSIONER T. A. WROUGHTON, R.C.M.P.

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Has Assistant Commissioner T. A. Wroughton, Royal Canadian Mounted Police, been granted leave of absence with a view to his retirement to pension or superannuation?

2. If so, when will such retirement and superannuation become effective?

Hon. Mr. DANDURAND:

1. Yes, to pension.

2. 1st November, 1924.

THE MEETING OF PARLIAMENT

MOTION

Hon. Mr. MACDONELL moved:

Resolved that:

1. It is desirable and expedient to make provision that ordinarily the Parliament of Canada shall meet in each calendar year on the Second Tuesday in the month of January, with such exceptions and modifications as are necessary—

(a) to preserve unimpaired all rights or prerogatives of the Crown with respect to the prorogation or the dissolution of that Parliament or with respect to the summoning of other meetings thereof on dates different from the day above designated; and

(b) to make proper provision for the date of the meeting of Parliament when its meeting on the day designated is impossible or is inexpedient by reason of—

(i) the prorogation or the dissolution of Parliament; or

(ii) the adjournment of either House or of both Houses; or

(iii) the ending of the five years' duration of any House of Commons; or

(iv) any emergency.

He said: Honourable gentlemen, I think that the wording of the motion is fairly explicit, and that it is not necessary to make anything like a long speech in connection with it. May I say that what the resolution proposes is not at all a new idea. I shall read a list of countries the Parliaments of which meet on certain dates or for set periods: France, 2nd Tuesday in January. Italy, 15th November. Belgium, 2nd Tuesday in November. Germany, October, generally. Spain, September or October. Sweden, January 15th. United States, First Monday in December.

The fact that we are always at sea regarding the date of the assembling of Parliament is very inconvenient to all concerned. Last year I was in England, and, not being certain whether Parliament would meet in November or December, I came home in November. This year I intend if possible going to Bermuda or some other place south. To-day none of us knows whether we are to meet in October, November, December, January, February, or when.

Last year we heard first of all that Parliament would meet on the 10th of January, shortly afterwards the date mentioned was the 20th of January; a short time after that the 30th of January was mentioned; and it was not until the 28th of February, as we all know, that Parliament assembled. Nearly all the members of both Chambers are business men. They have business interests, in some cases, in different parts of the country, and in some cases outside of the country, and I maintain that it is the direct right of everybody to know well in advance just when Parliament is to meet and when it is not to meet.

Honourable members of the House of Commons or of the Senate from British Columbia or the West are deserving of a great deal of consideration in regard to the question whether Parliament should assemble in November or December. It is, I think, manifestly unfair to have them come down here for business, and then, after the debate on the Address in reply to the Speech from the Throne, to have the House adjourn for three weeks, leaving them here with nothing to do for that time. It is too far and too expensive for them to go to their homes.

I would like the honourable leader of this Chamber to do what he can with his colleagues in the Government to see if some arrangement cannot be made whereby Parliament would assemble, as I suggest, on the second Tuesday in January. If it cannot meet on that date, I think that, in view of our business and other arrangements, we all have a full claim to know, before leaving for our homes after proprogation, the approximate date when Parliament will re-assemble.

Hon. Mr. SCHAFFNER: Honourable gentlemen, I am in entire sympathy with the motion moved by my honourable friend from Toronto. Under Sir Wilfrid Laurier's Government we met two or three years in November. I will not undertake to speak for all the Western members, but I think that for them November is not a suitable time to meet. It is usually in the months of November and December that our grain is marketed. I do think, however, that under ordinary conditions the most suitable time for Parliament to assemble is, as the motion indicates, in the second week in January. Anyone with whom I have ever discussed the question has agreed with that proposition. I trust we shall receive favourable word from the honourable leader of the Government, and that an effort will be made to have Parliament assemble, as a rule, in that week.

Hon. Mr. GRIESBACH: Honourable gentlemen, I suppose that the motion of my honourable and gallant friend is suggested by his contemplation of the happenings of the present Session. I am told by old parliamentarians that we have never had a Session in which there was so much waste of time and so little accomplished. Almost a month was consumed in discussing the Address in reply to the Speech from the Throne, and almost another month in the Budget debate. Here we are, well into midsummer, if not beyond it, and the date of prorogation ont definitely known yet. Contrasting that with what has been accomplished in former years, one may well believe that what old parliamentarians say is undoubtedly true.

In another place, I understand, a discussion is proceeding as to how the situation may be remedied—the length of the Session shortened and some degree of efficiency secured; and among the suggestions which are under consideration is the proposal that in another place sittings should be held in the morning during the debate on the Address and also during the consideration of the Budget. It is suggested that the speeches of members might be limited, Cabinet Ministers and party leaders being given the fullest scope, but the speeches of other members being reduced to twenty minutes. It is also suggested that discussions taking place in Committee of the Whole should be excluded from Hansard. All these suggestions are worthy of consideration, and, on behalf of honourable members from the West, I may say that we shall be delighted by the adoption of them if efficiency in government can be brought about and the length of time which we spend here be shortened.

As a matter of fact, the length of the Sessions of Parliament, growing as they have been for years, suggests the possibility that a serious blow will be struck at democratic institutions in this country unless a remedy is applied. It is inconceivable that any business man who does not live upon his indemnity, but must augment it by some sort of income, can afford to be a member of this Parliament and waste as much time as we waste here. It seems to me that, if the standard of membership in this Parliament is to be maintained, it must be made possible for business men to sit in Parliament and give their services to the country.

I might add this proposal—though I do not expect that it will meet with very ready acquiescence—that perhaps it would be better to base the sessional indemnity on the distance at which a member lives from Ottawa rather than leave it as it is at present. Obviously the man who comes from a considerable distance makes a greater sacrifice in the public service than does the man who lives in the immediate neighborhood of Ottawa. As I say, I do not expect a unanimous vote of approval for this proposal; nevertheless I put it forward because I feel that it is just. We might pool the indemnities of honourable members, and by the establishment of a zone system give to those who come from a considerable distance a larger indemnity than they now have, and those who live closer to Ottawa a smaller indemnity; and, finally, the members living in Ottawa would get the smallest allowance.

Hon. Mr. DANDURAND: Honourable gentlemen, I take it for granted that this resolution is but the expression of a desire on the part of the Senate that Parliament should be called earlier than it was this year. I am wholly in sympathy with that idea. I believe that Parliament should be called during the second week of January.

Right Hon. Sir GEORGE E. FOSTER: Is your sympathy practical?

Hon. Mr. DANDURAND: It has been to the extent of a very strong expression of my views to the Prime Minister. I even went so far as to remind the right honourable gentleman that he had still the advantage of youth and perhaps did not realize that the men who have passed sixty could look forward to only a few summers which they might enjoy, and that there were places where they could enjoy them better than on the pavements of Ottawa. As I was among the number, I made a personal appeal to him to remember that a large proportion of the parliamentarians in both Chambers were past sixty and that they appreciated more than younger men the enjoyment of a summer among their children and their grandchildren.

As a matter of fact, an attempt was made to have the Session open in November, but it did not meet with much success, because when the House adjourned for the Christmas holidays it was found that practically nothing had been done. The members came back about the 10th of January feeling as if they were making a fresh start on a long road. My own experience leads me to believe that if we met in the second week in January we might hope to close the Session about the 1st of June or perhaps a little earlier.

I will convey to the Government this expression of the opinion of the Senate, and will add to it all the fervour I can put into my own prayer.

The motion was agreed to.

BELGIAN TRADE CONVENTION BILL

FIRST READING

Bill 247, an Act respecting a certain Trade Convention between His Majesty and the King of the Belgians.—Hon. Mr. Dandurand.

CRIMINAL CODE BILL (GAMES OF CHANCE)

FIRST READING

Bill V6, an Act to amend the Criminal Code (Games of Chance).—Hon. Sir James Lougheed.

SECOND READING

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, this Bill has been submitted to the Special Committee appointed by this House to consider amendments to the Criminal Code. It was introduced at the instance of the Provincial Government of Alberta. It has to do with prosecutions touching automatic vending machines. The purpose of the Bill is to insure more uniformity in the judgments of the courts in Canada regarding their interpretation of the section in the Code which this Bill proposes to amend. It seems that there have been some distinct differences between the Courts of Appeal of some of the Provinces of Canada as to what the effect of the present section is, one Court holding that these machines come within the section, the other Court holding that they do not.

I shall take the liberty of reading the amendment, and I think honourable gentlemen will concur that it is in the public interest to amend the Criminal law to reach this class of automatic vending machine:

> In any prosecution under section 228 any automatic machine intended to be used for vending merchandise or for any other purpose, the result of one or any number of operations of which is as regards the operator a matter of chance or uncertainty, or which as a consequence of any given number of successive operations yields different results to the operator, shall be deemed to be a means or contrivance for playing a game of chance within the meaning of subsection 1 of this section, notwithstanding that the result of some one or more or all of such operations may be known to the operator in advance.

The particular machine in view has undoubtedly resulted in promoting the instinct of gambling, particularly among the younger members of the community who enter tobacco shops or more pretentious establishments. This machine has served as an added attraction to many businesses, and is proving, I think, I may say with confidence, a curse to the community.

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

BRITISH NORTH AMERICA ACT

REQUEST FOR INFORMATION

On the Orders of the Day:

Hon. Mr. DAVID: I wish to put the following question to the honourable leader of the House, concerning the amendment to the British North America Act. I want to know if the honourable leader will be kind enough to lay before this House the protest which has been sent to the Government by the Ontario Government.

Hon. Mr. DANDURAND: I do not know that any protest has been received from the Ontario Government, or any other provincial Government, concerning the proposed resolution, but I will inform myself and let my honourable friend know.

EXPORT OF INTOXICATING LIQUORS

INQUIRY

On the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: May I make a last despairing effort to find from my honourable friend opposite whether the remaining moiety of the information for which I asked, with the approval of the House, nearly three months ago, is within sight?

Hon. Mr. DANDURAND: I thought it would be forthcoming last week. I will inquire and find out why it has not reached this Chamber.

Right Hon. Sir GEORGE E. FOSTER: I suppose my honourable friend's sympathies are in my direction in that respect, if he will make inquiry now.

Hon. Mr. DANDURAND: Yes, from the Customs Department.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from July 8 the adjourned debate on the motion of the Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remunertion paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000.000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter, of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

And the motion of the Hon. Mr. Tanner in amendment:

That it be amended by striking out paragraphs (a), (b) and (c) thereof and substituting the following therefor:—

"(a) The failure of the Management of the Canadian National Railway System and the Canadian Government Merchant Marine to properly investigate the statements and charges brought to their attention by the Honourable J. D. Taylor, as stated in his address to the Senate on May 8th of the present year."

Hon. J. D. TAYLOR: Honourable gentlemen, as the Senate is evidently not pressed with other business, I suppose it would be in order to offer a few remarks on this resolution. I would like to refer first to the address of my honourable friend from Lambton (Hon. Mr. Pardee) the other evening, when, in reply to my observations on a previous occasion, he took two main lines of argument.

First of all, speaking from recollection, the honourable gentleman from Lambton suggested that this resolution, and my part in connection with it, constituted in the main an attack on public ownership in connection with the Canadian National Railways. I would like to suggest to the honourable gentleman that he should not have put that suggestion before this House without some warrant. I want to assure him, in all sincerity, that he is entirely mistaken in suggesting any motive of that kind. I have never harboured any hostility to the Canadian National Railways. If there is one province or one community in Canada which should be benefited by prosperity in the operation of that railway it is the province or the community from which I come. The people in British Columbia have nothing but friendship for the Canadian National Railways, which, so far as the western branch is concerned, is our very own child.

The other point to which the honourable gentleman from Lambton gave most attention referred to the dealing with lumber in British Columbia. In this connection he overlooked the fact that the charges which I read to the Senate were not in any sense my charges. I explained that I quoted from an official document of the Canadian National Railways, to which I did not add one syllable by way of personal information, because, as I told the House on that occasion, I had no personal information: I had an official file of the Canadian National Railways, from

which I quoted. So that the charge that I was responsible for any possible misinformation on the Watson file is altogether unfounded.

As to the answer to that file, I would like to say that it is not remarkable for anything except its complete contradiction of the report, the answer that Mr. Temple of Winnipeg thought fit to make on every subject referred to him. I would like to remind the Senate again that Mr. Temple is a dependent employee of the legal branch of the Canadian National Railways, who was engaged in making a report on a subject as to which his chief had twice reported in writing that there was no foundation whatever for the charge, the chief having so reported without any previous investigation. As I see it, this unfortunate dependent was virtually instructed and compelled to make the report which he did. I suggested that the report has no official value whatever, because not only was no evidence taken under oath to meet the charges made on oath which Mr. Temple was sent to investigate, but also because Mr. Temple's hands were hopelessly tied by the adverse report which his chief had already put in.

I would like to say this, however, as to the lumber case, that one of the most significant passages in the Watson file was a report from the former chief clerk to the Purchasing Agent, in which the chief clerk recited the whole modus operandi of the alleged frauds in the purchase of lumber, namely, that while this chief clerk by direction of the Purchasing Agent, called for tenders, and the tenders were received and tabulated by him, there was invariably added to the list of tenders, by the Purchasing Agent himself, after consultation with a couple of friends, the names of these two friends, and quotations by those friends.

As I say, that was not my charge; that is an official charge by an employee of the Canadian National Railways against another employee of the railways; and that charge, hideous and odious as it is, remained uninvestigated in the hands of the President of the Canadian National Railways for nearly a year before Mr. Temple went out to Vancouver. During all that time the Purchasing Agent, accused of a crime so repugnant as such a crime would be to the business community, remained in the full possession of his office. Mr. Temple, when in Vancouver, did not examine that chief clerk to the Purchasing Agent who had made that charge against his superior. In the meantime the chief clerk had left the service. We read in the Temple report that he took no notice of the invitation given to him by Mr. Temple to come down to Vancouver, from a long distance, where he was employed, to meet Mr. Temple's convenience. I may say I see no reason why a man should come under those circumstances. There is no suggestion that his expenses were offered or paid.

There is no reason why Mr. Temple should not have gone to where this clerk was employed, and there asked him for his statement as to the circumstances under which he wrote his report. However, the fact remains that the most complete and definite charge against this Purchasing Agent was not investigated by Mr. Temple at all. In the face of that fact, I think we should look with some suspicion upon the whitewashing report of that gentleman.

Since this matter was last discussed I have been furnished from a reputable quarter with a statement, for which I do not vouch, but which I think should have been secured by Mr. Temple and investigated by him. This statement shows that one of the parties whom he was charged with the duty of investigating, is supposed to have made in a few years, from operations additional to those for which he was paid by the company, a fortune estimated at a quarter of a million dollars. That statement is sufficiently public to have been passed to a member of Parliament, and from that member of Parliament it was transmitted to me, accompanied by the statement that its author was a man of good reputation to whose word my informant would pay attention. I would suggest to the Government that while stories of that kind are in circulation it would seem to be incumbent upon them to make the Management of the Canadian National Railways give some answer to such current reports other than by simply saying that they are trivial, and have no foundation in fact.

Let me suggest to the Government that within a few years past a rich and prosperous railway, serving the finest communities in Canada, which should have been among the richest of great corporations in this country, has been literally robbed of its life by organized rascality on the part of its high officials; that a Committee of shareholders of that railway was sent from England, and after a thorough investigation in Canada and the United States, reported to the whole body of shareholders, who are now before the Government of Canada petitioning for relief for what they regard as the confiscation of their property. Those shareholders have been robbed under the circumstances which I indicate, as found by that committee, and the principals in the alleged robberies of that

day, which destroyed the life of a prosperous railway, are now in the main connected with the Canadian National Railways, and under the responsibility of the Government of Canada. Having recited these facts, let me suggest to the Government that surely a duty falls upon the Ministry to see that the stories now current of wholesale rascality on the part of those high in authority in the management of this railway are thoroughly investigated.

I have had letters from end to end of Canada, many from people connected with the system, many from outsiders, indicating that in every province in Canada the Railway Management is "reeking with rascality," as one of those letters puts it; and I suggest that it is not sufficient, in answer to such statements, to say in this Senate that the report of a subordinate official shows that everything is pure as the driven snow, and that there is nothing whatever wrong that he can find out, and that I am wasting the time of this Senate—the time of an afternoon like this, for instance, when I suppose we would have been adjourned by now, if I had not risen—

Hon. Mr. DANDURAND: Oh, no: we have important work before us.

Hon. Mr. TAYLOR: I am glad we have. I will not be long. I would like to refer also to the reply made—on behalf of the Government, I suppose—by the honourable gentleman from Ottawa (Hon Mr. Haydon). That honourable gentleman constituted himself, for the occasion, the mentor of the Senate. He was good enough to instruct me how I should deport myself in bringing business before the House, also as to what matters referred to me by the people whom I represent, I should take into consideration, and what others I should pass up as trivial and beyond the scope of so august a body as this. Let me suggest to the honourable gentleman whether, as a new member, he might not consider that there are some of us in this House who have had long experience in representing an active electorate before coming to this Chamber, and that that experience is apt to make an honourable gentleman nimble in attending to the wants of the citizens whom he represents. It was in that spirit, and in no other, that I took up the case that was presented to me, against the Canadian National Railways and the Canadian Government Merchant Marine, and I do not recognize that the matter is at all of a trivial nature. I am willing to submit my judgment, and my opportunities of judgment, coming as I do from the very scene of the operations to which I refer, in comparison with the lack of opportunity of the honourable gentleman from Ottawa, who has had no knowledge whatever of the circumstances except what might be conferred on him in his whispering gallery by the personal friend whose name he so affectionately mentioned here.

I would like to suggest—if one may be permitted to animadvert upon expressions used before this Parliament—that is not quite fair to refer in this House to a man like Captain Boyd, for instance, as an "old fool," for no other reason except that he has reported rank dishonesty in the service with which he was lately connected. I would like to remind the honourable gentleman who used that contemptuous expression that the latest evidence of the senility and folly, if it be such, that we had from that recent official of this service, before he entered the service of the Canadian Government Merchant Marine, was when he gallantly went to sea in the service of his country to protect those of us who were not in a position to go to sea or otherwise to offer our services.

Captain Boyd had just returned from four years gallant service at sea, with a decoration just as honourable and just as valuable to him, in the rank in which he served, as is the Order of the British Empire worn by the head of the Canadian National Railway Service, on whose behalf this contemptuous expression has been used with respect to a worthy sailor.

I would like to know whether the honourable gentleman thinks, or would think, of applying the expression "an old fool" to another gallant officer whose case has been placed before me lately. This officer, having read of these proceedings in Parliament, writes to me from England to say that he too was in the service of the Canadian Government Merchant Marine. He entered that service after four years service at sea during the war, during the greater part of which time he was in charge of convoys between England and the Mediterranean. He has been decorated with the Distinguished Service Order, and has received the special thanks of the Admiralty for his services. Perhaps he, too, was an "old fool" for going to sea and giving his services while other people remained in much more comfortable circumstances. But this is what he has to say of this service, and it corroborates to a large extent the story told by Captain Boyd. He says, that being in command of one of the larger vessels of the Merchant Marine on the Pacific coast, he reported to the management that his mate was not only incapable but drunken; that he asked for the removal of

that mate, and that he might be given a competent second in command; that no attention was paid to his representations. That while he had this incompetent and drunken subordinate, to use the language of his own report, there was brought to him during a time of trouble in the Merchant Marine Service in Vancouver a crew of about twenty whom, being paraded on his deck and examined by him, he refused to accept, because they had had no experience and appeared to him to be absolutely incompetent. That several hours afterwards, late at night on the same day, these twenty incompetents were brought back again by the Vancouver management of the Canadian Government Merchant Marine, who informed him that they had now been accepted by the Port Authorities, and that the Canadian Government Merchant Marine were obligated to each of the twenty to the extent of $60 for a month's service, which the Canadian Government Merchant Marine would lose if the Captain refused them, and also pointed out other embarrassments which would follow. This man says that under the stress of circumstances, badly needing the employment in which he was then engaged, he reluctantly signed the articles taking on the twenty men. That he then took the management to the bridge deck, and in privacy there remonstrated with them as to the horrible crime they were committing in asking him to take a ship to sea under those circumstances, and again requested them to remove his mate and give him a competent mate, which they declined to do; and that failing that, they take him out of the ship and put the responsibility of conducting the ship in some other hands.

Hon. Mr. DANDURAND: What ship was he commanding?

Hon. Mr. TAYLOR: The ship was the Canadian Exporter. They declined to do this also. He went to sea the next day, and he lost the ship on the coast of Washington.

Hon. Mr. DANDURAND: What date was that?

Hon. Mr. TAYLOR: That was in 1921. He lost the ship on the coast of Washington. He had an inquiry before the Wreck Commissioner just as Captain Boyd had and the Wreck Commissioner did worse in his case than in the case of Captain Boyd, because he suspended his certificate. The Captain appealed, he says, to the Supreme Court; I suppose he means the Admiralty Court. Anyhow, he appealed, and the finding of the Wreck Commissioner was quashed, and his certificate was returned to him free of suspension. But he never obtained any redress from the management of the Canadian Government Merchant Marine.

I suggest that this case is parallel to that of Captain Boyd. Captain Boyd had been reporting for months that his mate was unsatisfactory to him, and indicating that his habits were unsteady and tha there was not the sympathy between them which was necessary for the management of the ship. The answer to that is that Boyd is an "old fool." What is the answer made to the report of this British officer with a fine decoration from the Admiralty obtained immediately before going into the Canadian Government service?

Now, in conclusion—I say in conclusion, because I think I have done my whole duty in this case in presenting it for the attention of this House and the Government—I have not asked for the Committee of Inquiry called for by this resolution, because I was never satisfied that a Committee of Inquiry would get us anywhere. If it were early in the Session perhaps it would. But, as I say, that is not the course to be followed. As I have said before, this is largely a matter for the police: if it were handed to the Justice Department and the Royal Canadian Mounted Police I am sure sufficient evidence would be collected very quickly to put on trial the leaders of this band of miscreants. I suggest that the evidence that I have quoted, as taken by Mr. Temple, has established everything that I have charged—that repairs were faked to make a bill for the dockyard; that the log was forged, with the connivance of the office, to enable those faked repairs to be charged against the underwriters. I maintain that these facts are established by the evidence; that there was no inspection at the dock, except the inspection of the Chief Engineer of the ship, who, when he made that inspection, was under the pay of the dockyard upon whose work he was reporting; and that this chief engineer, as represented by the Wreck Commissioner, had persistently given false testimony before him. That is the sole report we have on that.

I maintain that the charges of bootlegging —which were not the main charges, but only incidental to the original trouble, and which came later—have been absolutely established by the evidence of the provincial constable at Ocean Falls; that for one year he had been complaining of persistent drunkenness at Ocean Falls, caused by the whiskey landed there off these Canadian Government Mer-

chant Marine vessels, naming the vessels; that finally the officer indicated as responsible for this whiskey was found with five cases in his possession; that, while Mr. Temple finds that officer not guilty of bootlegging, he has made no report and no reference to the fact that that officer of the Canadian Government Merchant Marine had falsely sworn that those five cases were required for ship's stores on the then pending voyage to San Pedro; that Mr. Temple made no attempt to find out from that officer whose whiskey it was that the officer falsely swore to, in order to obtain it on his ship without payment of the excise duty; that Temple had the statement of this officer that he had not paid for the whiskey, and that he did not know who had paid for it; that he had a statement from an officer of the Provincial Liquor Department that that whiskey remained unclaimed in the possession of the customs for weeks, if not for months, there being no one who would admit the ownership of it. I say that train of events establishes the statement that these whiskey operations were carried on between officers afloat and officers ashore; that since the officer afloat did not know who paid for that whiskey, and had not paid for it himself, some officer ashore, working in collaboration with him, must have bought it and paid for it. Temple makes no inquiry in that direction.

This all shows that Temple had no desire to be informed of anything which would affect the higher-ups in the service of the Canadian Government Merchant Marine. It indicates to me that those rascalities are going on under the protection of the Legal Department of that service; and, being fully convinced of that—not from imagination, but from the train of events brought out by a perusal of the evidence taken by Mr. Temple himself—I commend this matter to the Government as something that should receive its earnest attention to the end that our Canadian Government Merchant Marine and the Canadian National railways may not be wrecked by the operations of the crew who have already wrecked the Grand Trunk railway of Canada.

Hon. Mr. DANDURAND: Honourable gentlemen, I will say a few words now, for I am not willing that the statement made by the honourable gentleman from New Westminster (Hon. Mr. Taylor) should go to the public unanswered.

We have in Canada two large railway systems, both of which operate a merchant marine. One of these systems is privately owned, and is administered by a Board chosen by the shareholders of the company; the other belongs to the State. The privately owned company goes on its way from day to day, from month to month, and from year to year, administering its affairs without any incident concerning its management or administration reaching the public. That corporation employs about ten times as many sailors as are employed by the State-owned merchant marine, and has an immense army administering its railways. Yet, throughout the land not a word comes out concerning the details of administration. Surely that army, on land and on sea, is not composed exclusively of virtuous or infallible men; surely that immense service is composed of what I may term the run of the mine. If occasionally some men are found to be weak or inefficient, they must be let out; but if they are, and when they are, does any word come out to the public concerning the frailties of those human beings, be they employed on land or on sea? I have never heard of any charge reaching the public ear which would weaken the confidence in the Management. This is private ownership.

We have another system called the Canadian National Railways. This, too, is an immense system of railways, with a few ships on both oceans and on the lakes. Now we in the Senate of Canada are hearing statements such as those which have fallen from the lips of the honourable gentleman from New Westminster (Hon. Mr. Taylor)—that from letters he has received he is led to believe that system is reeking with rascality throughout the whole of Canada, and on the seas as well. My honourable friend has protested against the idea that he has any prejudice against the Canadian National Railways or against state ownership. He has even said that his own province of British Columbia had hoped to derive considerable benefit from the operation of that system. But he fails to see what kind of a picture he has painted of state-owned railways and a state-owned merchant marine; he fails to see that he has made a most formidable indictment against the nationalization of railways and the ownership of a merchant marine by the State.

Hon. Mr. TAYLOR: No. I want the picture changed.

Hon. Mr. DANDURAND: Is it possible that all the honest men are gathered under the standard of the Canadian Pacific Railway, and all the rascals are hiding in the offices of the Canadian National Railways and the Government Merchant Marine? Is that possible? Is it plausible? I believe that if we continue that method of criticism, we will

make another failure of our nationally owned railways, and before long will see "bankruptcy" writ large on the wall. What end can we hope to attain other than that?

The Canadian Pacific Railway, being administered, as I have stated, to the satisfaction of the shareholders and to the satisfaction of the public, without any criticism being heard, and the Canadian National Railways and the Government Merchant Marine being besmirched as it now is by the sweeping statement that it is reeking with rascality from top to bottom, what is the situation? With all due deference to my honourable friend, I do not believe, and cannot admit, that the situation is entirely as he has pictured it.

Hon. Mr. TAYLOR: Then why not have an inquiry?

Hon. Mr. DANDURAND: My honourable friend says: "Why not have an inquiry?" Let him remember that the tens of thousands of men in the employ of the Canadian Pacific Railway are not all angels. They are good men, representing good average Canadians, but not any higher in standing, I am sure, than are the tens of thousands of men working for the Canadian National Railways and the Canadian Government Merchant Marine. Sometimes some fall by the wayside; sometimes some are fined or dismissed by a special inquiry from within—an inquiry of which we hear nothing—and the administration continues to carry on to the best of its ability.

I have heard the statement in this Chamber within the last week, and many a time in Committee, that the Canadian National Railways had as good and pure a staff of high officials as any other system in the country, or in the world. Well, if the Senate of Canada believes that statement, how can it believe that that system produces such fruit as that of which my honourable friend has just given us a taste?

Hon. Mr. PLANTA: That is what some of us cannot understand, and want to know.

Hon. Mr. DANDURAND: Whither are we drifting? Some do not understand. If the leaders, if the high officials, if the staff, are good and true men, why not trust them?

Hon. Mr. TAYLOR: Are they?

Hon. Mr. DANDURAND: The honourable gentleman from New Westminster took up the cudgels in this Chamber for his bosom friend and protege, Captain Boyd. He thought he had had an unfair trial. Captain Boyd had such a trial as any other captain on the seven seas would have had. A Wreck Commissioner and two assessors had sat regularly upon his case and declared not only that he deserved censure, but that his accusations of forgery in that log of which the honourable gentleman has just spoken were baseless—more, they were malicious.

Hon. Mr. TAYLOR: Will the honourable gentleman permit me? Mr. Temple's evidence found that they were not baseless.

Hon. Mr. DANDURAND: I have read Mr. Temple's statements, and they do not weaken the decision of the Wreck Commissioner.

Hon. Mr. TAYLOR: They certainly do.

Hon. Mr. DANDURAND: This is a matter of opinion as between the honourable gentleman and myself. I have read the whole 103 pages of Mr. Temple's report.

Hon. Mr. TAYLOR: Yes, but has the honourable gentleman read the evidence?

Hon. Mr. DANDURAND: I have not read the 2,000 pages.

Hon. Mr. TAYLOR: No. Mr. Temple suppressed from his report the significant evidence —any evidence that does not favour his conclusion.

Hon. Mr. DANDURAND: My honourable friend had another inquiry made, which was ordered because of his pressing demand. I met Mr. Temple here, and inquired about him, and I considered him an honest, honourable man, desirous of doing the best he could, not for the Company, but for justice; because he had a mandate to that effect.

Hon. Mr. TAYLOR: So did I.

Hon. Mr. DANDURAND: The honourable gentleman says he had a mandate. He had the mandate of any ordinary citizen who thinks an injustice has been committed and wants it redressed. He had no other mandate than that which devolves upon every member of the community, to raise his voice when he thinks an injustice has been committed. He did raise his voice, but he took advantage of the fact that he could do so from a higher tribune than the ordinary citizen: he brought the matter to this Chamber. Here we are, 96 members of the Senate, listening to those recriminations. Are we in a position to express an opinion, or even to challenge the statements of my honourable friend? He has read 2,000 pages of evidence. I am quite sure he is the only member of the Senate who has read all that evidence; and here we are listening to a commentary upon those 2,000 pages. It

sufficed for me to read 103 pages of Mr. Temple's report.

Captain Boyd knew under what laws he entered the service of the Merchant Marine or any other steamship company. He appealed for justice, and the Wreck Commissioner and the two assessors said he was wrong. Under the Act he should have appealed to the Minister. I read the whole of the correspondence that passed between him or the honourable gentleman and the Department of Marine and Fisheries and I was agreeably surprised at the clear conception of duty expressed in the correspondence showing what had been done in answer to the complaints of Captain Boyd and my honourable friend. I think the honourable gentleman will admit that he found a wholesome and satisfactory atmosphere in the Department of Marine and Fisheries. They were ready to do full justice to Captain Boyd. They appointed the Wreck Commissioner. Captain Boyd was condemned to pay costs of $200 or $300 for having maliciously accused his subordinates of forgery. The honourable gentleman appealed to the Minister of Marine and Fisheries so that those costs should not be collected, and the Minister agreed not to have them collected.

Hon. Mr. TAYLOR: Will the honourable gentleman permit me to tell him the reason why they were not collected?

Hon. Mr. DANDURAND: One of the reasons, I suppose was the honourable gentleman's fervent appeal on the ground that Captain Boyd was possessed of no earthly goods.

Hon. Mr. TAYLOR: No.

Hon. Mr. DANDURAND: At all events, they were not collected.

Hon. Mr. TAYLOR: I think the honourable gentleman wants to be fair to Captain Boyd. Captain Boyd's petition alleged the forgery of the log. Boyd had not at that time seen the log. He could not see it until he made his petition. He got the log before the Wreck Commissioner. Then he asked for the scrap-log, as they call it—the log entered from day to day—as to which he certainly knew the contents, because he had read them every day; and the scrap-log would have proved the forgery of the other log. The mate who was alleged to have forged the other log said that the scrap-log had in the meantime been destroyed by his instructions and was not available, and Boyd was without the proof on which he relied.

Hon. Mr. DANDURAND: But my honourable friend forgets that Captain Boyd signed two documents called the extended protest, which contained practically all there was in the log.

Now, is the Senate of Canada the proper tribunal to sit in appeal upon the decision of the Wreck Commissioner? I suggested at the outset to my honourable friend that if he wanted to transfer that evidence and the report of Mr. Temple to six legal gentlemen of the Senate, who would form as high a tribunal as any court of appeal in Canada, and if before that committee Mr. Temple could explain his action and the honourable gentleman could point out the weaknesses in the report, the Senate would have a fair statement of the merits of the report and the evidence.

Now let us pass on to a consideration of the future. My honourable friend says: "I know that it is too late to start an inquiry on such an important and intricate matter. Will not the Government act?" I wonder if we ought not to ponder during the recess over what should be the destiny of the Canadian National Railways and our Merchant Marine, and how they may be handled in such a way as to preclude the possibility of public discussions such as the one we are now carrying on. I believe it devolves upon us to strive to find some way in which this important asset and liability of the country may be properly administered and controlled. The Railway estimates, which go before the House of Commons before reaching us, have been transferred for examination to a Special Committee of the Commons. Should we not agree that that Committee shall represent that vast community called the people of Canada, who are shareholders in the enterprise, and that it shall sift all these questions? I believe that we must find a way to establish a certain sufficient control over the administration, and obtain enough light to satisfy the public. I feel that if we continue assaulting the System as we have done during this Session, discouragement will enter the soul of every Canadian.

Hon. Mr. McMEANS: Can the honourable gentleman tell me on what occasion any honourable member of this Chamber has assaulted the System?

Hon. Mr. DANDURAND: Out of a hundred similar statements I will take one of the phrases, which will be found in Hansard to-morrow, and which have fallen from the lips of the honourable member from New Westminster. He has stated that from letters

he has received from various parts of Canada he is convinced that the System is reeking with rascality. He is convinced that these rascalities exist, because of the samples he has observed on the Pacific Coast.

Hon. Mr. TAYLOR: No; the "reeking with rascality" is from Toronto.

Hon. Mr. DANDURAND: But my honourable friend's statement is so general as to include the whole System from top to bottom. And my honourable friend from Manitoba (Hon. Mr. McMeans) asks me who has denounced the System, or who is attacking it. If the press that likes sensational expressions has not to-morrow a two-column heading reproducing these expressions, I shall be very much surprised.

Hon. Mr. McMEANS: I do not like to interrupt the honourable gentleman, but I thought there might be a distinction drawn between an attack upon certain officials and an attack upon the Railway System, which is entirely different. If any honourable member rises and declares that there is improper conduct on the part of some of the officials of the Canadian National Railways, I for my part do not consider that an attack upon the System itself.

Hon. Mr. DANDURAND: But when my honourable friend reads the remarks of the honourable gentleman from New Westminster, he will find that they refer to practically the whole System. "The whole organization," "the staff," "the higher officials," "the men higher up"—these are expressions the honourable gentleman has used—are so steeped in corruption that the whole System is condemned. That is the conclusion I have drawn in listening to his remarks.

Last week the honourable gentleman from Simcoe (Hon. Mr. Bennett) reverted to his criticism of the Merchant Marine on the Great Lakes. He had written to me suggesting that certain officials of the Merchant Marine be present when he would comment upon their actions, and during his speech he expressed regret that I was not here to get into touch with those gentlemen below the bar in order to ascertain whether his statements were correct or not. These gentlemen, the day after that honourable gentleman's speech, brought me a reply, which my honourable friend invited. Here is the reply, signed by Mr. Galloway, Chief Assistant to the President, and Mr. Vaughan, the Vice-President:

Most of the charges are against the Canadian Government Merchant Marine, and Mr. Teakle, the General Manager of that line, is in England at the present time on business. There is not a more honourable man in the steamship business than Mr. Teakle. His reputation is well known and can be easily ascertained by enquiry.

Any chartering of vessels was done after consultation with all departments, and it was the judgment of all concerned that it would be in the best interests of the C.G.M.M. to charter their vessels on the lakes, if possible to do so.

One of the reasons for this decision was that the boats were temporarily placed in the lakes pending their possible sale, and it was not considered advisable, therefore, to establish an organization to handle steamers on the Great Lakes at that time.

The Drummond and the McKee were, therefore, chartered to the Playfair interests in the early part of May, 1923, at what was considered a fair rate and at a figure which assured us a profit. The boats at the time of chartering were on the market for sale, and the understanding was that the charters could be cancelled at any time without notice. As a matter of fact these two boats were sold in August to Fort William interests, who were the highest bidders, for $220,000, and, therefore, the charter to the Playfair interests was from May to August only, which netted us $16,215, as against Senator Bennett's statement that we made $14,000 only for the two boats during the entire season.

It is well known that these ocean-going vessels, with engines amidships, are not suitable for trade on the lakes where light draft is required to enable the vessels to go through the canals and to reach the docks.

For example, assuming one of the C.G.M.M. ocean-going vessels loaded 110,000 bushels at Fort William for Georgian Bay, her draft, if fully loaded, would be about 21 ft. The Soo Canal draft is about 19 ft., and the Welland Canal draft is 13 ft. 9 inches to 14 ft. While, therefore, these boats might carry a fairly good load for their capacity to Georgian Bay, they could not operate profitably through the Welland Canal. They would require to be lightered at Port Colborne, and they could not, therefore, operate profitably from Port Colborne to Montreal with less than half a load. There are special fleets of boats in operation designed for this service with shallow draft, and there are very few boats which come from the Head of the Lakes to Montreal with grain, unless they are vessels that have been specially designed for canal service. It is difficult and dangerous to operate ocean-going vessels through the locks as they are not constructed with that idea in view. The smallest of the C.G.M.M. vessels only has a clearance through the various locks of the Welland and Lachine Canals of 6 inches in width and 1 food in length.

Besides, it must borne in mind that the C.G.M.M. does not control the routes through which the grain passes. This is controlled by the grain merchants in Winnipeg, Montreal and elsewhere. To say, therefore, that these vessels could have taken loads at Fort William and carried them to Europe on through bills of lading is not in accordance with the facts, and, if possible, would be unprofitable.

The reference made by Senator Bennett that the Kirkwood Company operated one of these boats from the lakes to Vancouver via the Panama Caal requires an explanation. The boat in question took on a part cargo only at Toronto and Hamilton and completed her loading at Montreal. Her draft in coming through the Lachine Canal being under 14 ft. This boat was being worked to the Pacific Coast where she is to be put into regular service.

Senator Bennett mentions a certain amount of money which should have been made by the operation of the Drummond and the McKee. He is, of course, only speaking figuratively. To say that vessels

on the lakes are making such profits is at variance with the facts. On Senator Bennett's basis of reasoning, a boat would pay for itself in about one year, and if only a portion of such profits were made, there would be many more people in the business. Such items as operation, repairs, insurance, etc., have all got to be taken into consideration. Senator Bennett must take into consideration that the C.G.M.M. boats burn on an average 22 tons of coal per day, with a crew of 23 men, and they cost a good deal to operate. The maximum tonnage that the vessels we had on the lakes could carry would be about 3,300 tons of coal at full draft, but they could not be loaded to full draft, as the canals would not take them.

Boats built specially for the lakes of recent design, carry upwards of 10,000 tons of coal with a crew of about the same as our vessels, and they have a coal consumption of approximately the same as our vessels. It will be observed, therefore, that these lake boats could carry three times our cargo with about the same expense.

It will, therefore, be seen how futile it would be to put these boats in the coal trade on the Great Lakes, as, apart altogether from the expense of operating them they are not, as pointed out in the statement given to the House some time ago, properly constructed for the carriage of coal. Their engines are amidships, and they have a long tunnel extending from the engine room to the propeller. This tunnel is about 7 feet high. It is directly in the centre of the hatchway, and it was found that in unloading the coal the clams damaged the casing and the steel.

Another serious feature in connection with the cost of handling coal in these boats is the cost of trimming and slow discharging, the coal all having to be shovelled out from around the tunnel; so that, therefore, in addition to the increased cost of operation referred to above, as compared with lake boats specially built for the trade, there is the cost of discharging. The docks discharging these vessels would exact an additional charge for handling same, and some docks on the lakes have not suitable equipment to discharge this class of boat at all.

Regarding contracts for the carriage of coal on the lakes, after full consultation with the officers of the Railway and the Steamships it was decided that the C.G.M.M. boats could not carry the coal as cheaply as we could contract to have it done for elsewhere, and it was found more profitable to operate these vessels up light, for return cargoes of grain. The officials of the Railway have already given answers in respect to these questions in the House.

Mention is made of the Kearsarge and the Arthur Orr. These boats are not operated by the Canadian Government Merchant Marine. They are owned and operated by the Canada Atlantic Transit Company of the United States, which is a subsidiary of the Canadian National Railways. These boats are, as stated by Senator Bennett, of United States registry. They are operated as part of a through water and rail service, as pointed out in the letter referred to by Senator Bennett.

Occasionally, but only occasionally, these boats may be diverted to Duluth, or elsewhere, for a cargo when there is no return cargo available from Chicago or Milwaukee. As a matter of fact, in the year 1923 these boats were diverted on two occasions only. The first trip was a cargo of binder twine from Chicago to the Head of the Lakes, and the second was a round trip from Chicago to Buffalo.

There are occasions in the operation of any steamship line when work may be slack in the regular trade, and a special cargo is taken to fill in.

We understand that insinuation was made by Senator Bennett that the Kearsarge and Arthur Orr were probably chartered to the Playfair interests; then we turned around and made a contract with them to carry our coal. There has been nothing produced to give any colour whatever to this insinuation. The Playfair interests never had the Kearsarge or the Arthur Orr chartered. These boats have always been operated by the Canada Atlantic Transit Company. They are package freighters, and do not carry coal.

Reference is made to the loss incurred in the operation of the Kearsarge and Arthur Orr. The earnings of these boats are based on a proportion of a through rate, and could be very easily increased by simply increasing their proportion of such through rate, were it considered advisable to do so.

There are reasons which were imparted to me why this should not be done. In the interest of the administration I cannot give those reasons to the Senate.

Senator Bennett stated that we would not give the cost of carrying coal on the lakes. This question was also answered in the House, and it was stated that the maximum rate we paid to the Head of the Lakes was 45c per ton in 1923. This year the rate is somewhat lower.

It was figured out that if our vessels went to Lake Erie for coal they would lose a trip a month on grain, and having regard to the high cost of operating these ocean-going vessels as compared with lake vessels, it was found more profitable to operate them light back to the Head of the Lakes for grain. This is a practice followed by several other steamship lines.

Senator Bennett mentioned certain charges for tying up these boats. These charges are made up as under: Canadian Signaller, 1st Janunary to 13th September, $4,662.15.

The charges in this connection are made up as follows:

Insurance premiums..	$3,859 56
Watchmen's wages 1st January to 13th September..	283 75
Rental Wireless apparatus..	349 00
Incidentals..	169 84
	$4,662 15

Canadian Warrior, 1st January to 15th September, $5,132.59.

The charges in this connection are made up as follows:

Insurance premiums..	$4,400 00
Watchmen's wages 1st January to 15th September..	283 76
Rental Wireless apparatus	349 00
Incidentals..	99 83
	$5,132 59

The amounts of $5,784.27 and $8,084.40, quoted by Senator Bennett as being for repairs on the Canadian Signaller and Canadian Warrior, do not really constitute repairs bills, but cover charges including renewals, cleaning, cementing tanks, painting, and general overhaul throughout hull and engine room, all incidental to Number One survey; this being a compulsory survey as required by Lloyd's or other classification societies, to allow the vessel to retain her class, and is carried out under the supervision of an Inspector of Surveyor in the employ of the classification society interested, and takes place on ocean-going vessels at the end of each four year period.

Senator Bennett insinuated that the high-up officials were interested in certain steamship lines and dredging companies. So far as our knowledge goes there is no justification for this statement, and Senator Bennett should either withdraw same or produce evidence to substantiate his accusations.

Referring to the charge of one of the President's Assistants receiving a salary of from $20,000 to $30,000 per year, this statement is untrue.

The insinuation was made by Senator Bennett that the sale of C.G.M.M. boats was being held up by higher officials of the Railway so that they could be disposed of to party friends. This is also untrue. Every boat that has been sold has been advertised publicly by tender, and the highest bid has been taken in each instance.

The two boats, the Drummond and the McKee, were not sold to Playfair interests, but to Fort William interests. The Playfair interests made a bid on them, but we had a higher tender, and the boats, therefore, went to the highest bidder. A number of these boats have been sold in addition to the Drummond and the McKee some to British and Norwegian interests.

We understand that Senator Bennett, according to our recollection, made the statement that the Kearsarge and Arthur Orr were operated at a loss in order to dispose of them at a low figure to party friends, but, as stated above, this is not so, and these vessels are not for sale.

Regarding Senator Bennett's complaint that an additional train had been put into operation between Toronto and Peterboro, the train referred to is one which was in operation prior to the War, and was restored about a year ago owing to public demand for it. The train is well patronized, but, of course, every train has it off days, and we have seen similar conditions on all railways.

D. E. Galloway,
Chief Assistant to President.
R. C. Vaughan,
Vice-President.

Now, here we are discussing the technical operation of a few steamers on the Great Lakes. I believe that to a very large extent all this is time lost. One of the officials of the Canadian National Railways, who bears no ill-will to any member of the Senate, said: "I believe that we are merely the victims of a situation in which a certain gentleman of the name of Playfair, who lives at Midland, should be reached, and that an effort is being made to reach him through us, because we are doing the best we can in the service of the Canadian Merchant Marine."

Be that as it may, after honourable gentlemen have heard the criticism as to the operation of those vessels on the Lakes, and after they have heard the answer, and the second answer, of the officials of the Canadian Government Merchant Marine, how much further advanced are we? I confess that I would need a few days to take in the whole indictment, and to examine the answer far more minutely than I have been able to do by simply reading what has been put into my hand.

The present Government found all those officials in their present positions on the 1st of January, 1922. Most of them I have never met. I have the conviction that the administration, whether under the preceding Government or under the autonomous working of the system, has not been so unlucky as to secure the services of men who are unreliable. The same men are there to-day who were there two, three and four years ago, and I cannot really reconcile myself to the idea that the Canadian National Railway System and the Canadian Government Merchant Marine, state-owned, have been so unlucky as to have selected the unreliable part of the community, which must surely be infinitesimal, while the big Canadian Pacific Railway got all the pure gold in its service. No, I do not believe that; and I think that it behooves members of Parliament to try to find a way to keep this service of the Canadian National Railways and the Canadian Government Merchant Marine away from party politics, or from the criticism of parliamentarians. There must be a way found to satisfy public opinion and Parliament without spending days and weeks in hearing aspersions upon the whole system, or part of it.

I say this with the best intentions. I have nobody to shield. This Railway Administration is before us upon its own record. It is being tested. I desire to give it fair play, and the best possible chance; but when I see the Canadian Pacific, administered as it is without any accusation being uttered in the press, in public or in Parliament, against any of its officials, and at the same time witness the sorry spectacle now presented to us, I really believe that the best brains of Parliament should get together and endeavour to find a way of giving a fair chance to the Canadian National Railways and the Merchant Marine.

Hon. Mr. TAYLOR: Will the honourable gentleman tell me whether he proposes to have any prosecutions of the crimes indicated in the Temple report? It is public property that is involved.

Hon. Mr. HAYDON: May I ask the honourable gentleman if he will lay charges against the people of whom he complains?

Hon. Mr. TAYLOR: I think the honourable gentleman is trifling with the subject. He appears very much like counsel for the defence.

Hon. Mr. DANDURAND: I have seen nothing in the Temple report that indicated that there had been any misdemeanor committed that would call for a public prosecution. If my honourable friend will indicate to me a case which would be sufficiently supported by evidence to bring it before the courts, I will make it my duty to transfer it to the Railway Department and to the Department of Justice, who will send it to the Attorney General of the Province in which the offence was committed.

Hon. Mr. TAYLOR: There is in the Temple report the sworn affidavit of an officer of the Canadian Volunteer that he acquired five cases of whisky for ship's use. Of course, the affidavit was untrue, because he did not acquire it for ship's use, and did not use it for that purpose, and he says it was not his whisky, and he did not pay for it, and does not know who did pay for it. I am not vindictive to secure punishment of that man, but if he had been pressed by Mr. Temple or any other investigator as to how he got that whisky, and swore it was for ship's use, he would have given away his collaborators ashore. If he were prosecuted for making an untrue statement, he would certainly indicate the circumstances under which he made it. There you have the key to the combination. You must commence somewhere. There is a plain thing, because that is certainly a false affidavit, sworn before the Collector of Customs.

Hon. Mr. DANDURAND: I will draw the attention of the Railway Department and the Department of Justice to the special case my honourable friend mentions, so that they may examine into the evidence, and see what there is in it.

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

COMPANIES BILL

Hon. Mr. DANDURAND moved the third reading of Bill 118, an Act to amend the Companies' Act, as amended.

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

CIVIL SERVICE SUPERANNUATION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 122, an Act to provide for the Superannuation of Civil Servants.

Hon. Mr. SCHAFFNER: I should like to have a little information from the leader of the Government in reference to the principle of this Bill. I think the honourable gentleman will admit that it went to the Special Committee pretty hurriedly, without the principle being established.

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

Hon. Mr. SCHAFFNER: I am sorry the Ex-Minister of Labour (Hon. Mr. Robertson) has gone out, because I think he could give us some information on certain points.

I would ask the leader of the Government: on what principle are we legislating to provide superannuation for Civil Servants?

Hon. Mr. DANDURAND: My honourable friend must be aware that all large employers of labour, be they Governments or corporations, have been working on systems with a view to securing pensions for their employees when they reach a certain age. This has been done, either by having the employers contribute a share, or by the employers assuming the whole charge. The provinces of Ontario, Alberta, British Columbia, and Quebec have Superannuation Acts. The Dominion of Canada also has had its Superannuation Acts. The honourable gentleman knows the history of those Acts. In 1898 they were suspended and a new system was introduced. The employees of the state were obliged to leave 5 per cent of their salaries with the Government, and when they withdrew from the service or died, the amount that had accumulated to their credit, plus interest at 4 per cent up to 1920, and 5 per cent since then, was paid over to the Civil Servant or to his estate.

There has been, apparently, a general consensus of opinion that the Dominion Government was not doing the right thing by its employees, and the Department of Finance has thought proper to place before Parliament a Superannuation Act. The Bill has passed the other House and has come to us, and has been examined in detail during two sittings by the Committee on Banking and Commerce, where an important amendment was made, the effect of which is that members of temporary staffs who number more than 10,000, and who have not contributed to previous funds—will be allowed to participate upon the payment of an amount equal to what they would have been obliged to pay if they had started from the beginning. Under the Bill as it went before the Committee, their obligation was the payment of the capital amount; and they were not required to pay the interest which that sum would have produced if it had been paid in yearly payments extending over a number of years.

The participants in the fund, who for the last ten or fifteen or twenty years have been making their contributions, felt that an injustice was being done to them by reason of the newcomers being absolved from paying interest. In order to put them on the same level, after discussing the matter thoroughly, the Committee agreed to an amendment which obligated the members of the temporary staff to pay not only the 5 per cent of their

salary for the number of years they had been in the employ of the Government, but interest at the rate of 4 per cent as well. This was the only important amendment made in the Committee.

Hon. Mr. SCHAFFNER: It is not from any desire to criticise that I ask for the information; but the honourable gentleman must know that throughout this country for some time past the question has been asked many times why Civil Servants should be pensioned while employees of so many other institutions, and other workers throughout this country who work harder—more hours is the way they put it—for less pay and with less assurance of employment, receive no pension. The honourable gentleman has said that certain provincial Governments and railway corporations have pension systems.

Hon. Mr. DANDURAND: And Great Britain and the United States as well.

Hon. Mr. SCHAFFNER: In that respect the answer given by the leader of the Government is satisfactory so far as I am personally concerned. But, as he says, we had a Superannuation Act which was introduced in 1870, and was continued for a number of years, and then discontinued. As to why this was done I do not think we have ever had any explanation. Then, about 1920 we had what is called the Calder Act. I have never been able to see the necessity of that Act. I have heard the reason given that a certain number of men were becoming incapacitated through age—perhaps from other reasons—and that the state considered it necessary to get rid of them. I think it is generally accepted now that the Calder Act was very onerous and was becoming exceedingly expensive to this country.

This country to-day is very much involved. The public debt of the Dominion, the provinces, and the municipalities is in the neighbourhood of $4,500,000,000. That is a tremendous debt, and it behooves us to be exceedingly careful how we add to it.

There are just two points to which I wish to refer. We place the minimum salary of those who shall receive a pension at $600. That may be all right; I do not say it is not. On the other hand, as I understand it, we fix no maximum. A man may get $4,000 or $6,000 or $8,000 or $10,000 or $15,000 a year for the work he does, and when he reaches the age of 65 or 70, there will be coming to him for the remainder of his days a very large pension. But there is more than that. We have inaugurated a new idea, an idea which I claim is a proper one. Upon the demise of a Civil Servant, his widow will receive 50 per cent of the superannuation that he receives, and his children will receive 10 per cent, I think it is under certain conditions, up to the age of 18. The pension system may be all right; but it does not seem to me to be the right thing to give pensions to men who were in receipt of large salaries. I am not going to say whether the maximum should be fixed at $4,000 or $6,000; but I do say that men who are receiving $4,000 or $6,000 or $8,000 per annum should be able to lay by money enough to provide for their old age, or for their families, without calling upon the Government, and through it upon the working people or the poorer classes of this country. Although I was a member of the Committee before this Bill came, nevertheless I feel it my duty to say that I believe there should have been some maximum amount fixed.

Hon. Mr. BRADBURY: Can the honourable gentleman inform the House what superannuation the farmers of the West get?

Hon. Mr. SCHAFFNER: I did not refer to farmers. I referred to workers, whether they be farmers or the men who work in the ditch. Those are the men who will have to help to pay for this superannuation.

There is one other point to which I wish to refer. I can give an example. I know of a man, whose name I will not mention, who was retired under the Calder Act and who, I am told, received $5,000 the day he retired and will receive $2,000 a year as long as he lives. I have tried to make my information authentic. He is at present as well able to perform the duties of the position as he ever was. In fact, honourable gentlemen, he is to-day doing an insurance business in this city.

Hon. Mr. GRIESBACH: Under what section of the Act would he get payment in a lump sum?

Hon. Mr. SCHAFFNER: I am told that that was under the Retirement Act.

Hon. Mr. GRIESBACH: But there is no provision for it under the Calder Act?

Hon. Mr. SCHAFFNER: No. It is under the Retirement Act. We have the Superannuation Act, the Retirement Act, and the Calder Act, and now we are to have the new Superannuation measure.

Hon. Mr. GRIESBACH: What is the present age of that gentleman?

Hon. Mr. SCHAFFNER: I cannot give you his exact age.

Hon. Mr. GRIESBACH: How many years' service did he perform?

Hon. Mr. SCHAFFNER: I cannot tell the honourable gentleman that, but I know he is able to work and is doing an insurance business in this city, and he is writing many letters to the press, too. If we permit that sort of thing to go on, it seems to me that we are not doing our full duty.

Then there is a class of people whom we have neglected. It is not a large class, but I would like to see it receive consideration from this honourable House. Under the old Act, in the case of a man who had been contributing year by year for thirty-five years and who died shortly after superannuation, his widow and family receive nothing. In this respect we have made a great improvement in the present Superannuation Bill. I know of some widows in this city—and I have no doubt there are others—who, under the former Act, have received nothing. I do not think the class is a large one. I do not say that the injustice can be remedied by the present Bill, or that at this time in the Session anything can be done for those widows, but I think it is the duty of the Parliament of Canada to see that they are paid at least what their husbands contributed to the fund. I think that would be only a square deal. Not having received such payment, a few of them are to-day in straitened circumstances. In one case I know of, the husband, who had contributed for thirty-five years, died suddenly about a year after his superannuation, and his widow now has to work in order to eke out an existence. And I am told that there are some who are not able to work and are almost dependent on the city.

I bring these facts to the attention of the honourable leader of the Government and of this honourable House in the hope that something may be done towards at least paying back with interest the money that has been contributed.

Another consideration—the honourable leader will correct me if I am mistaken. I think that Civil Servants may retire at sixty-five, but retirement is compulsory at seventy.

Hon. Mr. DANDURAND: They may be retired at sixty-five, but they must retire at seventy.

Hon. Mr. SCHAFFNER: That is what I say. They may retire at sixty-five if they wish, but retirement is compulsory at seventy.

Hon. Mr. ROBERTSON: If the Government wishes, they may be retired at sixty-five.

Right Hon. Sir GEORGE E. FOSTER: Or they may be kept on.

Hon. Mr. SCHAFFNER: They may be kept on until they reach seventy.

Right Hon. Sir GEORGE E. FOSTER: Yes, or afterwards.

Hon. Mr. SCHAFFNER: I need not go outside this House to find illustrations. We have here men of seventy: we have men of eighty; and one honourable member is ninety-four and is a pretty good man yet, for aught I can see. Now that the new scientific process of transplanting monkey glands has been devised, goodness knows how long a man may be of service.

Hon. Sir JAMES LOUGHEED: Or what mischief he may do.

Hon. Mr. SCHAFFNER: Yes. I know of men in this city who are still efficient and who have recently been retired. I could name one man, whom I have known for many years, and who is being retired on a pension or allowance. I do not know his exact age, but he is energetic, and in my opinion you cannot find in Canada a person who can do that man's work better than he. I do not know whether he wants to retire or not; I have never asked him; but I know that he is able to do his day's work. I understand that Civil Servants are falling over one another, now that the Calder Act has been extended, in order to get out of the Service. When this man to whom I have referred has been retired, it will be necessary to put someone in his place, and his successor will not do the work any better than he can do it, but will have to be paid a large salary.

I am sorry that this matter did not come more fully before the House, that we might have discussed it. I cannot be accused of taking up much of the time of the Senate, but I wished to make these few remarks. One point I desire to make is that we should not pension high-salaried men, but should limit them to a definite sum. I will not suggest what the limit should be. I think it is absolutely contrary to common sense and unfair to pension a man who has been receiving from this country a salary of $15,000. Again, the Government should be careful about retiring men who are quite willing and able to work, because there is an extra expense involved in retirement. And especially I ask the honourable leader to convey to the Gov-

ernment the recommendation that if possible, in the case of Civil Servants who contributed to the fund for a long period, like thirty-five years, and whose widows are left almost destitute, the Government should at least give back the money that has been paid in.

Hon. Mr. REID: Honourable gentlemen, this is a very important Bill, and I regret that it was sent to the Senate only about a week ago.

Hon. Mr. BRADBURY: That is usually the way.

Hon. Mr. REID: It is unfair to this House and to any person who is interested that such a Bill should come here within a few days before the end of the Session.

We are told that the Bill was sent to a Committee. It would take a person an hour, or two hours, to read it over and learn its meaning. The Committee held only two meetings for the purpose of hearing evidence and deciding upon the Bill. I do not think it was possible for the Committee to do it justice in that time.

I am in favour of a Superannuation Bill. I believe that Civil Servants are entitled to superannuation. There are precedents in the superannuation funds of great railways and other corporations. The managements of great railways believe it is in the interest of operation to have a superannuation fund, and it is only justice to their employees who have served many years and have become unable to perform their duties. Superannuation is granted because the salaries that those men have been receiving are in almost every case no more than a living wage, or at best do not permit of more than a small amount being saved. Municipalities also provide superannuation. Any employee who has served for a long period is on retirement granted either a certain retiring allowance or is superannuated. I know that in many cases they are allowed superannuation.

I have seen departmental officials at work. I agree with what has been stated by many, that Civil Servants might work longer hours than they are working, and we might do with fewer employees, and give those who are employed much higher salaries. I do not think that the salaries of Civil Servants as a whole average more than what they would receive if employed in any other business. Therefore when a Civil Servant who has been working for many years has become through illness or otherwise, incapable of performing his duties and must be retired, it is not fair that the Government should leave him and his family to public charity. There are men who have been in the Service thirty-five or forty years, at only a living wage, and I would be opposed to turning them adrift when they become old and are no longer able to perform their duties. I think Parliament is justified in passing a Civil Service Superannuation Bill.

The Calder Act has been referred to. We are told that under it men have been retired at seventy years of age, though they are in perfect health, and able to work, and are to be seen at work in the city. Well, I would point out that men who have been working for a long time may appear to be in good health at that age; and yet in many cases they are not able to do the work they have been doing so long. They find the duties too onerous for them, and their strength will not stand the strain. I do not believe that any deputy minister will ask for the retirement of any Civil Servant under him who is at all able to perform his duties; and, after all, it is on the recommendation of the Deputy Minister that a retirement is made. The Deputy Minister knows whether a man is able to do his work properly or not. If we had no Calder Act, or no Superannuation Act, the Deputy could not possibly ask a man to retire. He could not turn him adrift. That is the reason why the Calder Act was passed. Under that Act in the last few years a considerable number of Civil Servants have been retired, but those that have come under my notice, or of whom I have heard, were superannuated because they were really unable to perform their duties; and I believe that 90 per cent of them were only too eager to retire under an Act which gave them a small pension on which they could live.

In the present Bill there is a clause with which I am delighted: it is the provision, referred to by a previous speaker, whereby widows and children are protected to some extent. Take the case of a Civil Servant who was employed for twenty-five or thirty years, and contributed under the old Act perhaps thousands of dollars. A short time after superannuation he dies. It has been one of the greatest hardships that under the old Act his widow was handed two or at most three month's pay, though she might be without another dollar in the house. That was an injustice. But it is many years since that Act was in force. If any of the people who have suffered by it are still alive, I would certainly hold up both hands in favour of relieving them of their present difficulties. It has been stated that some of them are now at work, trying to eke out an existence. I do not think there can be many persons in that

class. The request of the honourable gentleman who mentioned the matter ought to be considered by the Government, and at next Session we might remedy the wrong which in my judgment has been done.

However, I rose particularly to call attention to the amendment made by the Standing Committee on Banking and Commerce. As I have stated, I do not consider that the Committee had sufficient time to do justice to the Bill, and if it is in order I would like to move an amendment to the Committee's report.

Hon. Mr. DANDURAND: The honourable gentleman can move an amendment to the motion for the third reading.

Hon. Mr. REID: I shall be very glad to do it. My amendment is very simple. We are told that one of the purposes of the Bill before us is to benefit widows and children. I believe that every honourable member of this House is pleased with that provision in the Bill. The Committee struck out, at page 9, the two words "without interest," and inserted "with simple interest at the rate of 4 per cent per annum." Take a person who has been in the Civil Service for many years and whose widow is to be protected. According to this amendment he has to pay the difference between 5 per cent of the total salary received by him and the amount actually contributed by him, and in addition he must pay "simple interest at the rate of 4 per cent per annum." Suppose that the difference equalled $100 a year, and he has been in the service 35 years. The difference and the interest for 35 years would more than double the amount. There are officials who would probably have to pay $2,000, and to add the interest for 35 years, even simple interest, would increase very materially the amount they would have to pay. There are very few Civil Servants who have any money saved and would be able to pay this amount at once.

Hon. Mr. SCHAFFNER: They do not have to do so.

Hon. Mr. REID: No, but if they should happen to die their estate would be liable just the same, and those whom it is intended to benefit, namely, the widows and children, would have to pay. To require payment of the additional amount would cause a hardship to many people. The difference is not large when taken as a whole, but the increase in the liability would seem large to the people affected. The clause should have been left as it was. The Bill was drafted after the matter had been carefully considered by the employees and the Government. The Senate Committee has had to deal with it hurriedly and without sufficient evidence, and I feel that the Senate would be doing a great injustice to the widows and orphans by insisting on this proposed amendment. Therefore, on behalf of those who come under it, I appeal for a reconsideration of the Committee's recommendation. I ask that the Bill be left as it was originally. With that end in view, if my motion is in order, I would move an amendment to the report of the Banking and Commerce Committee. It states:

> Page 9, line 14. Strike out "without interest" and insert "with simple interest at the rate of 4 per cent per annum".
>
> Page 9, line 27. Strike out "Without interest" and insert "with simple interest at the rate of 4 per cent per annum."

I move that these words be struck out and that the rest of the report be accepted as submitted to the House.

Honourable gentlemen, in conclusion may I say again that I heartily approve of this Bill for the superannuation of Civil Servants. I am heart and soul for this Bill, because I believe that it is in the interest of the management of the Civil Service and that the Civil Servants are entitled to it as an act of justice. Many large corporations now make provision not only for employees who have been with them for many years, but also for their wives, and in the interest of the women and children I trust the honourable leader will see that this measure is put through. We can see how it works out during the next six or seven months, and no doubt it will come up again, when we can give it the fuller consideration to which it is entitled, and, if necessary, strike out any objectionable words.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I have just a few words to say in reference to the matter under consideration. The Dominion of Canada had a Superannuation Act which commenced on a modest basis, and no doubt had some defects, and perhaps was not as well guarded in some particular cases of administration as it might have been; and it so happened that the party in Opposition had made some pretty strong remarks against it, and I think had given some pledges that if they came into power they would put the old Superannuation Act to the flames. That was done, but I personally know that adherents of the party which got rid of the Superannuation Act rued their action, and felt that the statute should have been retained, and conditions ameliorated, rather than that the Act should

have been abolished. From that time to this the growth of opinion has been strong, both outside and inside Parliament, for another Superannuation Act, possibly improved. I am entirely in favour of the principle of the legislation embodied in the present measure.

My honourable friend from the West (Hon. Mr. Schaffner) put the question, why we should have such an Act. This question has been answered by others who have spoken; but I might add that one object is to secure greater efficiency and economy in the public service of the country. A good Superannuation Act, properly administered, is a cheaper form of Civil Service administration than any other form that lacks the superannuation feature. I have a good deal of sympathy with the remark made by my honourable friend from the West as to fixing the limit of salary beyond which superannuation should not apply. We are now in an advanced state with regard to salaries, as compared with the past, and in some respects I regret that it is so. Men are being appointed to office to-day with salaries that 15 years ago would have struck us utterly aghast. If we are to place men in high positions with salaries of $10,000 and over, it seems to me there is a pretty good reason for letting those people take charge of their own family affairs, and make provision for them without calling on the general taxpayer. I think that something might be done in the future with reference to that point.

I have been looking into this measure, and I am somewhat of the same opinion as my honourable friend who has just spoken (Hon. Mr. Reid). This Act has been the result of a vast deal of examination and thought. If ever there was a piece of legislation which has been well founded, this is one. Committees in the other House have been carrying on investigations from year to year, and have been arranging bases for building up this Act, and I think that in the main this is an excellent measure. I therefore feel that I would rather see this Bill passed without our interfering with any of its basic principles, and deal with methods of amendment and improvement when we have more time, after weak points may have developed.

The suggestion that old employees, in order to take advantage of its benefits, must pay into the common fund not only the amounts which they would have paid if they had been paying up to the present time, but also interest at 4 per cent per annum upon those amounts, makes it almost impossible for a very large proportion of that class, which I believe numbers 12,000 or 15,000 altogether, to make up at once the necessary payment. The consequence will be that those who cannot do so must remain outside of the new Act, with all the sympathy and feeling that old servants cannot be thrown out upon the street without proper provision. Thus, in the interest of economy of the service, the proposition will work out prejudicially to the Act. The equities were taken into account by the other House and benefits were provided in the Act as it was passed, and I think it would be well if we could see our way clear to drop that portion of the recommendation of the Committee on Banking and Commerce, and let the Bill pass through our House in that respect, practically as it passed the lower House.

There are one or two other points in connection with the Bill that I would have felt like criticizing if it had been of any use to do so at this period; but there will be opportunities for that at another Session when we shall have more time. One point was with reference to the 70 years limit of age. I do not see any particular consistency in the Committee on Banking and Commerce placing the amendment on page 6 in section 10. The amendment seems to me to be inconsistent with itself. They seemingly felt in unison with the idea that you might have, at 70 years of age, the most competent Civil Servant that it is possible to get for a particular branch of a Department, and yet, because of that arbitrary provision, he would be obliged to retire. He might have in reserve two, three, four, five or six years of experienced administrative power, yet he goes out, and another one comes in to take his place.

Hon. Mr. DANDURAND: That is provided for.

Right Hon. Sir GEORGE E. FOSTER: The Committee said: "Yes, we understand that; we will just put a little crimp in that by making that extension apply annually rather than give an additional period, say, of four or five or six years en bloc." But why did they provide that, after this Act has been in force 10 years, the age limit shall no longer be extended? If the principle is good with regard to a man at present in the prime of his power as a Civil Servant, maybe at 70, 72 or 73, it will be equally good as a principle in the Civil Service 10 years after this time. Consequently there seems to me an inconsistency in applying this principle, properly, as I believe, to those who are now in the service, but not applying it after 10 years have elapsed. If I have read the matter rightly, that is my sense of the section.

Hon. Mr. DANDURAND: The right honourable gentleman is right when he looks at the Bill as introduced in the Commons; but that part of the Bill was modified, and does not come to us with that proviso.

Right Hon. Sir GEORGE E. FOSTER: It says:

> But no such extension shall be granted after the expiration of 10 years from the coming into force of this Act.

That is still a part of the Bill.

Hon. Mr. DANDURAND: The right honourable gentleman has the Bill as introduced into the Commons, but not as reported to the Senate.

Right Hon. Sir GEORGE E. FOSTER: Of course, if that is eliminated my objection in that respect is entirely met.

There are other points which might be taken up, but I am not going to occupy the time of the House with a discussion. There will be ample opportunity in other years for us to take it up. On the whole the Bill is an excellent one, and it has some new features which are really humanitarian, and at the same time just, and I am glad to see those features.

Hon. Mr. McMEANS: As I was in the position of Acting Chairman of the Committee, I would like to point out one thing in reference to the remarks made by the two precedings speakers on the question of interest. I understood the matter when it was discussed before the Committee, a complaint had come from the Civil Servants, who said, "We have paid into this fund for a great many years, and we have been credited with interest on the amount we have paid in." One civil servant would say, "I have paid in $2,000 in principal, and that stands to my credit, and I have got to my credit the sum of $400 or $600 of interest." Now, why should a man who had not paid in anything be put on a parity with him, while the man who has paid the money practically loses all that interest? The amendment was suggested not from any idea of imposing onerous terms, but in order to equalize matters. The Civil Servants themselves thought it was unfair, and not equitable, that the man who had paid in, and to whom the Government had given credit for the amount he had paid, and interest on that amount, should have that interest practically taken away from him because somebody else had not paid anything at all.

Hon. Mr. BRADBURY: That would equalize things a little bit.

Hon. Mr. McMEANS: But the man who had not paid anything in has the same benefits under the Act as the man who has paid in.

Hon. Mr. DANDURAND: The case was given us as follows. The Civil Servant has been 20 years in the Service; he has paid regularly into the fund 5 per cent per year—

Hon. Sir JAMES LOUGHEED: That is, under the Retirement Fund.

Right Hon. Sir GEORGE E. FOSTER: And only under the Retirement Fund.

Hon. Mr. DANDURAND: Yes, or 3½ per cent under the Superannuation Fund. He has paid for 20 years and interest upon each payment has been credited him. So that he brings to the new fund, when he comes under the new Act, that capital with compound interest. By his side stood a Civil Servant who was called a temporary clerk, who received as much salary, or less; who received increases, or not; but who was prevented by the law from contributing to the fund on account of being a temporary clerk; who paid nothing into the fund during those 20 years. Under this Act he is allowed to pay, in one lump sum, the capital that he should have paid during those 20 years, and under the Bill which came before us in the Committee he was not obliged to pay the interest which his fellow Civil Servant had paid during the 20 years. The question of equity in the operation was discussed. It was said—in his favour—that he had been unable to contribute; that he had not been coerced, and not being forced to contribute he was perhaps handicapped to the extent that he had not bought an insurance annuity, or had not deposited his money in a bank, as he could have done. That money had been spent. Then there was the argument that possibly, being a temporary clerk, he did not get the increases that the permanent employee got.

Hon. Mr. BRADBURY: Hear, hear; that is the point.

Hon. Mr. DANDURAND: That he did not get that, and that now he is asked solely for the capital. On the other hand, the Civil Servant who had brought in his capital for 20 years says, "That capital has produced fruit; it goes into the general fund, and my associate, who now comes in, does not bring as much as I am bringing." He could have placed his money in the bank, or loaned it, or put it into insurance, or into an annuity fund. At all events, here were 10,000 Civil Servants

who had accumulated quite a sum through compound interest; and here were 10,000 other Civil Servants, called temporary employees, who would be able to come in on the payment of a smaller amount.

Hon. Mr. BRADBURY: They would have come in under the Act if they had been permanent and able to get their natural increases.

Hon. Mr. DANDURAND: They say: "We were deprived of the opportunity of joining the fund." "Of course," they are answered, "but what did you do with your money? We brought in 5 per cent; as permanent Civil Servants we were obliged to do so; perhaps there is no virtue in the fact that we did it, because it was compulsory."

I do not know whether I have neglected any argument on either side; but that was the situation that presented itself.

I desire to inform my honourable friend from Grenville (Hon. Mr. Reid) that, although we had only two sittings of the Committee they were quite lengthy, and we did not leave the matter until we had sifted it to our full satisfaction. This was one of the matters that retained our attention, and the members of the Commitee came to the conclusion that it was fairer to tell the newcomer that he should bring as much into the fund as the old contributor had brought.

Hon. Mr. BRADBURY: Does the honourable gentleman think it is fair? I do not think it is.

Hon. Mr. DANDURAND: I do not say that. I am presenting the arguments which actuated the Committee.

Hon. Sir JAMES LOUGHEED: Six o'clock.

The Hon. the SPEAKER: Before calling it 6 o'clock, I think I ought to point out to the honourable gentleman from Grenville (Hon. Mr. Reid) that the amendment he has placed in my hands is not in order. It proposes to deal with the report of the Committee on Banking and Commerce. The House has already adopted that report, and we are now proceeding with the third reading of the Bill.

Hon. Mr. REID: I understood that I could move an amendment on the lines of the one I read; but if my amendment is not in proper form, I would ask that I be allowed to alter it, and to refer the Bill back to the Committee.

The Hon. the SPEAKER: Under the rules of the House, I do not think the honourable gentleman can do that either. The House has passed on the report of the Banking and Commerce Committee, and I do not think the House can refer the report back to be amended.

Hon. Mr. DANDURAND: The honourable gentleman has only the third reading left.

The Hon. the SPEAKER: The House having once passed on the report, it cannot be amended in this particular.

Hon. Mr. DANDURAND: But the honourable gentleman can move on the third reading.

Hon. Mr. McMEANS: Not on that point.

Hon. Mr. REID: Then can I move that the Bill stand, and later move that the report of the Committee be reconsidered by the House?

The Hon. the SPEAKER: No.

Hon. Mr. REID: Then do I understand that under the rules of the Senate there is no way left in which I can ask for an amendment of that kind?

The Hon. the SPEAKER: At the present moment I do not think there is. I will look into the question before 8 o'clock.

Hon. Mr. ROBERTSON: I am sure nobody wants to prevent discussion or action on this Bill. Would it not be in order for the honourable gentleman to move that the Bill be not now read a third time, but be referred to the Committee of the Whole House for consideration? That would not be referring it to the same Committee.

Hon. Mr. DANDURAND: His Honour the Speaker will look into the matter between now and 8 o'clock.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

The Hon. the SPEAKER: Honourable gentlemen, on looking into the question of the point of order that was raised at 6 o'clock I find on page 272 of May:

> It is laid down by Hatsell, and is constantly exemplified, "that in every stage of a bill, every part of the bill is open to amendment, either for insertion or omission, whether the same amendment has been, in a former stage, accepted or rejected."

The amendment proposed by the honourable gentleman was of course an amendment to the report of the Committee. We have

dealt with that; but he can move the same amendment by moving that the Bill be not now read the third time, but that it be amended by striking out those words.

Hon. Mr. REID: Honourable gentlemen, in accordance with the ruling of His Honour the Speaker I now move the amendment that is in His Honour's hands—that the Bill be not now read the third time, but that it be read with the amendment that I have placed in the hands of His Honour the Speaker.

The Hon. the SPEAKER: It is moved by the Hon. Mr. Reid, seconded by the Hon. Mr. White, of Pembroke:

That Bill 122, as amended, be not now read the third time, but that it be amended by striking out on page 9, line 14, the words "with simple interest at the rate of 4 per cent per annum" and inserting, lieu thereof, the words, "without interest;" and on page 9, line 27, striking out the same words, "with simple interest at the rate of 4 per cent per annum," and placing in lieu thereof the words "without interest."

Hon. Mr. REID: Honourable gentlemen, I might say that in the original Bill that came from the House of Commons it was provided that those Civil Servants who had not contributed to the Superannuation Fund and who wished to pay in the amount for the time that they had been employed, in order that their wives and children might get the benefit of the superannuation, could pay in that sum without interest. When the Bill was before the Committee on Banking and Commerce that Committee made several amendments, one of them being that the words "without interest" were struck out and words inserted instead which required them to pay 4 per cent per annum simple interest on the amount that they would be compelled to pay.

I took the view that probably the Civil Servants had not the money on hand to pay those amounts, with bank interest, from their savings, and that the interest would be quite a tax on them, especially on those receiving small salaries; and as the payment was really in the interest of the wife and children, I thought the Government should not exact the interest.

Hon. Mr. ROBERTSON: Honourable gentlemen, I wish to add a word in behalf of the amendment of the honourable member from Grenville (Hon. Mr. Reid). There are at present three different classes of benefits that accrue to Civil Servants. As far back as 1870 a Superannuation Act came into force, and continued until 1898. Under that Act a small percentage of his earnings, approximately 2 per cent, was paid by the Civil Servant, and when he retired he got a superannuation allowance during life, but nothing for his dependents.

In 1898, as my right honourable friend from Ottawa mentioned this afternoon, another Government passed the Retirement Act, which was supposed to be a great boon to the Civil Servants at that time. Under that Act the permanent Civil Servants suffered a compulsory reduction of 5 per cent from their salaries. That amount was to go to the Retirement Fund, and upon the money so deducted they were to receive credit since that time by way of interest at the rate of 4 per cent half-yearly. We have been informed that there are between 20,000 and 22,000 Civil Servants now covered by the Retirement Act and contributing thereto.

In 1920, I think, the so-called Calder Act came into force. The Superannuation Bill now before the House provides, first, that all of those 22,000 employees who are now under the Retirement Act will come under the Superannuation Fund, together with the fund that has been built up as a result of their contributions to the Retirement Fund, plus the amount of interest.

Hon. Mr. GRIESBACH: May I ask the amount of that fund?

Hon. Mr. ROBERTSON: I am informed that the amount of principal in the fund is somewhere between $9,000,000 and $10,000,000, and that the interest that has accrued upon the payments made by the civil servants since 1898 aggregates more than $3,000,000 additional.

Hon. Mr. GRIESBACH: Is that subject to call or is that the balance?

Hon. Mr. ROBERTSON: That is the balance on hand, I believe. It is now proposed that those 22,000 Civil Servants shall come under this new law, and the accumulated fund will create a nucleus of a fund to carry it on.

The Government now proposes to contribute 5 per cent also; so that the fund will be doubled, and the benefits that the employees are to receive will be increased, and will be extended to the widow and the children under 18 years of age of the deceased Civil Servant, payment being made to the widow so long as she remains such. I think that part of the Bill is entirely commendable.

But, as the honourable member from Grenville has pointed out, there is an inequality, because the Bill permits something like 15,000 Civil Servants, who have not heretofore been on the permanent list, to come within the scope of this Act; and although they may have been in the Service for say 20 years,

they may by putting up an amount representing 5 per cent of their income during that time, participate equally with those who have paid their premiums, and also at the same time have accumulated several hundred dollars of interest. The old contributor must lose the interest, while the new Civil Servant makes a straight payment, with no interest in the matter. For example, to demonstrate: A is a civil servant who has been in the employ of the Government for 20 years, at a salary of say $2,000 a year. He paid 5 per cent of that $2,000 into this fund, and there as been credited to his account 4 per cent on the premiums so paid during that period.

Hon. Mr. GRIESBACH: Yearly?

Hon. Mr. ROBERTSON: Yearly. It is probable that the interest accumulated would amount to around $800 at the present time. The Government has not contributed a single cent towards that fund; it was all accumulated as a result of the contributions of those Civil Servants. It is now proposed that the Government shall come in and be a partner in the superannuation scheme now before us, and pay an equal amount with the old Civil Servants and with those 15,000 civil servants who have not heretofore been regarded as permanent employees, although many of them have been in the Government service for many years.

Right Hon. Sir GEORGE E. FOSTER: An equal amount from this time on?

Hon. Mr. ROBERTSON: From this time on. They will have an opportunity of coming in and participating with those who are in by paying up 5 per cent of their earnings since the period of their entering the Service. When they have done that, they have paid dollar for dollar with those Civil Servants who have been paying for 20 years; yet during the 20 years they have had the use of their money, which they may have put in the savings bank, or in Victory bonds, or invested in any other way, and earned interest. Therefore there is that discrepancy between the newcomers into this plan and the Civil Servants who contributed to the Retirement Fund.

Hon. Mr. REID: The payment of 5 per cent per annum by the Civil Servants goes to what is called the Retirement Fund?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. REID: So that in case a Civil Servant is superannuated, he is superannuated on the basis of the last five years salary, and he gets payment from the Retirement Fund in addition.

Hon. Mr. ROBERTSON: I do not understand that the Retirement Fund is to continue if the Civil Servant takes advantage of the Superannuation Act.

Hon. Mr. REID: That is the point I want understood. As regards the amount being paid in, if the Civil Servant is superannuated, of course it would not make any difference, because he would not get any of his retirement fund at all. The only difference would arise in case any Civil Servant wished to take retirement instead of superannuation. My point in that case is that this superannuation is for men who will be superannuated, and not the people in the civil service who are going to ask for their money back and retire. They want superannuation not retirement.

Hon. Mr. ROBERTSON: That covers the case, I think, so for as those two classes are concerned. But there is another class that are worthy of consideration. It was the discrimination that I have outlined, I think, that caused the Committee to make the recommendation that it did that those who come in and contribute should also pay interest at 4 per cent, in order to be on a par with the 20,000 Civil Servants to whom I have referred.

Hon. Mr. BRADBURY: Will the honourable gentleman permit me one minute? I think perhaps he has missed one very important point. That is, that those employees who were temporary clerks were denied their annual increases, while all the permanent Civil Servants drew the increases from year to year.

Hon. Mr. ROBERTSON: That is quite true, but I think my honourable friend will recall at least two speakers mentioned that fact this afternoon, and I did not desire to repeat what had already been said. But the honourable member from Grenville proposes that the recommendation of the Committe be not now concurred in, because its adoption creates another inequality, that is, that a substantial number of old Civil Servants who have been from 30 to 45 years in the service, who came in under the Superannuation Act, if they are to qualify under this Act, must not only pay the difference between 2 per cent and 5 per cent of their salary over that whole term of years, but also have to pay interest on the amount, which would at least double the contribution they would have to make, and this would make it absolutely prohibitive.

Hon. Mr. GRIESBACH: There is a further inequality involved with respect to those old Civil Servants, in that they have been paying income tax on the accumulated interest.

Hon. Mr. ROBERTSON: That argument was made, but when one comes to compute what that means in dollars and cents it is not a very serious feature. However, it is a point.

My thought is that to make this absolutely equitable, the interest that has accrued upon the payment of those 22,000 Civil Servants ought to be refunded to them, and then they would start off on an equal footing with everybody else who comes into this fund on a 5 per cent contribution basis. There are reasons why the Government, and perhaps others, think that that is not advisable or possible, but I do not think that the further requirement of interest payment on the part of those who come in now is going to remedy the situation, while it only makes the Act all the more difficult to operate, and makes it worse for thousands of Civil Servants than it will be if this amendment is made.

I hope, therefore, that the motion of the honourable member from Grenville will prevail; and, further, that when this law comes into force and its weaknesses are found, it may be amended from time to time and those abuses may be corrected. I think that while this legislation has received most careful consideration and examination, yet it is quite true that there are a number of points in it which ought to be further considered. But this can be done at another Session.

Hon. Mr. GRIESBACH: I agree with the honourable gentleman from Grenville that it is a great pity that a Bill of this importance —important in its financial implications, and important as affecting a great many people— should be brought into this House in the closing days of the Session, when there is not very much time to deal with it. One would hope, however, that it has been carefully prepared on an actuarial basis, and consequently ought not to be very seriously interfered with here, because the consequences of interference might go very much further than we would expect.

I entirely approve, however, of superannuation or pension as essential to a well-conducted Civil Service. I disagree with the honourable gentleman from Manitoba (Hon. Mr. Schaffner) and every honourable gentleman who agrees with him, that, because certain salaries of the higher officials may be large salaries, they ought not to participate in the superannuation system. To my mind the only question is whether they are worth what they are paid. If they are, they ought to participate in the superannuation under precisely the same terms as others do.

I do not agree with the proposal that we should endeavour to keep men in the Service after they are seventy years of age. It is quite true that such men may be in possession of their full vigour; but there is another principle that operates along with it. That is the principle of promotion, without which the Civil Service cannot hope to do very well. There must be room at the top. So I agree in an arbitrary age being fixed, and am quite satisfied that 70 is old enough.

I did not rise to discuss that question so much as to draw the attention of the Government to an aspect of the case for which no provision at all is made in the Bill—that is to say, a pension or superannuation to a man in the public service who follows an occupation in which there is an element of risk, and who, in the course of the discharge of his duties, may suffer some injury for which he ought to receive compensation. The class of persons I have particularly in mind is the letter carriers of the postal service. These are men who have to be out in all weathers and under conditions, and many of them suffer injuries which result seriously, and ultimately necessitate their retirement from the public service.

If we had some sort of a Workmen's Compensation Act they might receive a substantial benefit. As it is, they are not eligible for the benefits under any of the Provincial Workmen's Compensation Acts, and I think this Bill might well have contained provision to give compensation to men in that service who suffer injury which ultimately results in a serious and lengthly illness which compels them to leave the Service.

The honourable gentleman from Welland (Hon. Mr. Robertson) points out that next year and the following years we shall know more about this measure, and he says it is quite capable of amendment. Therefore I suggest to the leader of the Government that when the Government takes the matter into consideration this very large and deserving section of the public service should be considered with a view to providing compensation for injuries received in the service, with an adequate retiring allowance; and some arrangement might be made between the Federal Government and the Provincial Governments for the inclusion of these men under the terms of the Workmen's Compensation Act in the several services.

Hon. Mr. McMEANS: I would like to ask the honourable gentleman from Welland (Hon. Mr. Robertson) what would be the retiring allowance under the Calder Act? To my mind this Act is very complicated, and is not to be understood from a casual reading. If I understand the Calder Act, it pro-

vides that if a man retires from the public service he receives a portion of his salary—in some cases as much as half—and that has nothing to do with the fund we have been discussing. If he has anything in the Retirement Fund he draws on that and also gets a portion of his salary. The sum that he draws from the Retirement Fund is contributed to by the Government, and if he retires from the Service under the Calder Act he gets a proportionate part of his salary for the remainder of his life, and also draws the money to his credit in the Retirement Fund, with 5 per cent interest.

Hon. Mr. ROBERTSON: I think it is true to say that an employee who has been paying into the Retirement Fund for say twenty years and who desires to retire, is entitled under that Act to receive the amount he has actually paid in plus interest at 4 per cent. In addition, under the Calder Act he is entitled to certain consideration. If he has been in the Service more than ten years, he gets a pension equal to a small portion of his salary; if he has been in the Service less then ten years he gets a gratuity.

Hon. Mr. BLACK: Honourable gentlemen, I do not propose to take up the time of the House in discussing at length this Bill. I was one of the Committee who had it under consideration. I agree with the honourable gentleman from Welland (Hon. Mr. Robertson) that the Bill did not come before us soon enough to afford us the time necessary to consider the Bill.

I am also quite aware that the advisability of a pension is now beyond the field of discussion; yet, I must absolutely disagree with the honourable member from Edmonton (Hon. Mr. Griesbach)—and in disagreeing with him I believe I express the opinion of the people of this country. I do not believe in a pension at all. I believe the whole pension scheme is wrong from the foundation up. The people who built Canada were not pensioned; the people who are doing the work in Canada to-day are not pensioned; the people who are of use as citizens of this country are not pensioned and do not ask to be. As a matter of fact, the pensioner is a man, as a rule, who has not enough initiative to provide for himself. In saying that, I am not referring to the officials in the public service to-day, and I want to disassociate myself from any such idea; but I want to say that the vast majority of the people of this country do not believe in pensions.

As we have had a system of pensions in Canada for nearly thirty-five years now, it is impossible for the Government or for Parliament to get away from it; but in establishing such a system we should do so on a basis of equity. I think the honourable gentleman from Grenville (Hon. Mr. Reid) and the junior member for Ottawa (Right Hon. Sir George E. Foster), when they made their remarks this afternoon, did so, possibly, without fully considering why this amendment was made to the Bill by the Committee. It was done first because our attention was called to an injustice which was being done to those members of the Civil Service who had been paying into the Pension Fund for a number of years. That point was brought to the attention of the Committee by quite a large number of members of the Civil Service at Ottawa and elsewhere.

I agree entirely with the honourable gentleman from Welland (Hon. Mr. Robertson) up to the last point. He said he hoped the amendment moved by the honourable gentleman from Grenville would prevail. I trust it will not prevail, and for two reasons. I think, in the first place, that a manifest injustice would be done to those members of the Civil Service who have been paying in contributions to the Civil Service fund. If I remember correctly, they paid in 5 per cent of the salaries they received, which was put aside for them as an insurance. If I, as a member of the Civil Service for the past ten or twenty years, had said to myself: "I will not put my 5 per cent in to the Civil Service Fund, but will invest it in Victory bonds or industrial bonds or stock." I would take the chance of making more and of building up a reserve for myself, which, if I had invested judiciously, would amount to decidedly more than it would if I had deposited my money in the hands of the Government as a reserve for this particular fund. It is quite true that these men have, for ten, or fifteen or twenty years, paid in their 5 per cent, to which the Government has added interest at the rate of 4 per cent. This Bill as it came from the other Chamber provided that a man who, has been a member of the Service for twenty years and who has not paid a cent, can pay 5 per cent of his salary for the twenty years; he would then participate in the fund to the same extent as those who had been paying all along. But that was not fair, because those who had been paying in the past had been losing the interest each and every year on the amount they had paid. We said, therefore—and it is only right—that those who now come in should pay into this fund not only the principal, but interest at the rate of 4 per cent per annum on whatever amount they would have contributed yearly to the fund.

It is quite true that those who have been contributing would not draw any more out, because of others coming in; but what would be the ultimate effect on the taxpayers of the country? After all, we are here to represent the taxpayers of this country, and to protect them. If you read the Act carefully you will find that a percentage of this fund is paid in by the Civil Service, and an equal percentage by the Government of Canada. Suppose the 5 per cent paid by the Civil Service and the 5 per cent paid by the Government of Canada is not sufficient to meet the demands on the fund for superannuation and pensions to widows and orphans, who is to pay the bill? The taxpayers of Canada. That is the reason we thought it expedient that 4 per cent interest should be charged those who come in now under this provision. The amount of money they contribute swells the Fund, and to the extent that we do justice to them we relieve the taxpayers of Canada. That, and that alone, in my opinion, is the argument in favour of the amendment as introduced by the Committee. Every member who voted for that amendment did exactly what he was sent to this House to do, what those whom he represents expect him to do—protect the interests of the taxpayers of Canada. The individual Civil Servant who comes in under this Act will pay a very small amount; but there are 22,000 Civil Servants who have already contributed, and I think about 17,000 or 18,000 who may come in if they so desire, and the amount contributed by the individual when multiplied by 17,000 or 18,000 runs up to a considerable item. The farmer is not pensioned, neither is the business man, the lawyer, nor the doctor. Why should they be asked to put their hands in their pockets to pay this amount of money into a pension fund for a class of people who come in on equal terms with the 22,000 who paid their money in before? I trust the motion of the honourable gentleman from Grenville will not carry.

The proposed amendment of Hon. Mr. Reid was negatived: yeas, 20; nays, 41.

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

UNITED CHURCH OF CANADA BILL

CONSIDERED IN COMMITTEE

On the Order:

House again in Committee of the Whole on Bill 47, an Act incorporating the United Church of Canada.—Hon. Mr. Robertson.

Hon. Mr. BLACK.

Hon. G. D. ROBERTSON: Honourable gentlemen, this Bill was the subject of considerable discussion last week, and the honourable member for Middleton (Hon. W. B. Ross) and the honourable member for Lambton (Hon. Mr. Pardee) each saw fit to submit an amendment to section 10. I had full sympathy with the motive behind their amendments and felt that we were not very far apart in our desires and intentions, and therefore moved the adjournment of the consideration of this Bill until today, in order that time might be had to reach, if possible, some amicable conclusion and an amendment to which we could all subscribe. I want to say publicly that I appreciate deeply the efforts of the two honourable gentlemen referred to. They have consistently and earnestly endeavoured to cooperate in that direction. As I understand, they are at the present time in accord with an amendment which I have before me. I understand that it is not in order to move an amendment in addition to those already existing. I will state the proposed amendment that I have here, and if it meets with the approval of my honourable friends from Middleton and Lambton, and they should see their way clear to agree to its being substituted for the amendments which they proposed on Friday last, I shall be happy to proceed with this one. It will be presented in the following words, as an additional subsection to section 10:

> The vote herein provided for shall be taken by ballot in such form and manner and at such time within the limit prescribed by the next preceding subsection subsection as the congregation may decide. Provided that not less than two weeks shall be allowed for the taking of the said vote by ballot as aforesaid. The said meeting may be adjourned for the purpose of the ballot being taken, but not for a longer period than 30 days.

If my honourable friend to whom I have referred can join in presenting this for the consideration of the House, by first withdrawing their proposed amendments, I shall be very glad.

Hon. Mr. REID: Honourable gentlemen, I would like to ask His Honour the Speaker if we are proceeding in order. As I understand the procedure, the Speaker immediately leaves the Chair and the House goes into Committee on the Bill. I understand that now we are discussing the Bill as on the third reading.

The Hon. the SPEAKER: The discussion, honourable gentlemen, is probably out of order, in that I had not put from the Chair the motion that we now go into Committee on the Bill. I presumed that the honourable Senator from Welland (Hon. Mr. Robertson) desired only to make what might be in the

nature of a suggestion to the Committee. I think the right thing to do is for me now to put the motion that I do leave the Chair.

Hon. Mr. REID: The item on the Order Paper is:

House again in Committee of the Whole on Bill 47.

Do we need a motion to go into Committee?

Hon. Mr. CASGRAIN: Certainly.

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

Hon. Mr. Beaubien in the Chair.

Hon. W. B. ROSS: Honourable gentlemen, you have heard the statement by the honourable member from Welland. I do not think that I can usefully add anything to it, except that I think his amendment should come in at the end of subsection a of section 10. With that remark, I may state that I am satisfied to withdraw my amendment on condition that this one is substituted for it. I do not know whether I must have the leave of the House. If so, I ask the leave of the House to withdraw my amendment.

Hon. Mr. PARDEE: Under the circumstances, honourable gentlemen, I will withdraw my amendment, with the leave of the House likewise.

Hon. Mr. REID: I would like to hear the proposed amendment read.

Hon. Mr. CASGRAIN: The honourable gentlemen will withdraw their amendments first; then the other one will be read.

The amendments of Hon. W. B. Ross and Hon. Mr. Pardee were withdrawn.

Hon. Mr. ROBERTSON moved, seconded by Hon. W. B. Ross, his proposed amendment. He said: After the lengthy discussion that we have had on section 10, it would appear unnecessary for me to enter into a detailed explanation. This proposed amendment is simply to enable every congregation in the churches affected by the Union to exercise their own discretion and work out their own methods in the taking of the ballot. I hope that that liberty of action will commend itself to the House and be accepted.

Hon. Mr. CALDER: Honourable gentlemen, this amendment is a very important one. There are in the Presbyterian Church many people who hold the view that there should be not only a ballot but a secret ballot. Furthermore, there are those who hold the view that persons who cannot be present at a meeting should have the right to vote. If I am not mistaken, the amendment proposed by the honourable member for Welland does not cover these points.

Hon. Mr. ROBERTSON: Yes, it does.

Hon. Mr. CALDER: No, I think not. It does not say that it shall be a secret ballot. It does not say that the ballot shall not be signed by the person who votes, and therefore shall not disclose his identity. More than that: there is no provision whatever for what may be called the absentee vote. What I suggest is that we should do as we did the other day. This is an exceedingly important amendment, probably the only amendment that will be made to the Bill, and I think we should have the fullest opportunity to look at it and see just what it means, before we deal with it. The Chairman the other day ruled that every member of the Committee had the right to see a proposed amendment and understand exactly what it meant.

Hon. Mr. ROBERTSON: My honourable friend's observation merits at any rate some reply. I would point out to him that the ruling given by the Chair the other day with reference to amendments not being in order specifically indicated that they were out of order only when they contained new matter and were a distinct departure from the subject already before the Committee. This amendment is between the two extremes contained in the Bill itself and in the amendments that were before us last Friday. Therefore it cannot be said to be an important departure from the principle of the Bill or of the amendment then submitted, and I think it is entirely in order.

My honourable friend, I hope, will observe too that this proposed amendment gives full authority and the widest latitude to the congregation itself to prescribe the form, manner and time for the taking of the vote, except that it does require that the vote shall be by ballot. I doubt that it would be wise for Parliament to go into greater detail or impose further restrictions upon the liberty of each congregation to exercise its own judgment in this matter.

Hon. Mr. REID: Honourable gentlemen, I desire just to ask a question. The original Bill, if I remember correctly, provided for thirty days' notice. The clergyman had to make an announcement in the church on two Sundays, and then the vote was to be taken within thirty days. Now, if I understand aright the present proposal, the clergyman would give the two Sundays' notice and the vote must be within two weeks. So it cuts

down the time, and it may be difficult to get in the absentee vote, if the amendment means that. As I understand, there was no objection by any person in the other Chamber to the thirty days as provided for in the Bill. Am I correct in my understanding that the present amendment requires the vote to be taken within two weeks?

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. CASGRAIN: No, no.

Hon. Mr. REID: The difficulty is that we have not had time to consider the amendment. I have never even seen it, and I can hardly understand it when it is read and passed in a minute. Surely we should have a little time. It was ruled the other evening that it was necessary to give one day's notice of an amendment. Do I understand that the ruling of the Chair now is that a day's notice is not necessary?

Hon. Mr. CASGRAIN: The honourable the Chairman will read the amendment again.

Hon. M. REID: No, that is not the point. I want the ruling of the Chair. If I understood the ruling of the other night, it is necessary to give one day's notice of an amendment before it can be moved. If that ruling was correct, then one day's notice should be given of this amendment also. I do not say that I disagree with it, because it is on the lines that I myself desire, but if the Chair rules that one day's notice is required, then I think we should have that time. I have another amendment that I would like to present for the consideration of the Committee. I ask for your ruling, Mr. Chairman.

Hon. Mr. CALDER: Mr. Chairman, before you give your ruling I desire to say that, notwithstanding the statement of the honourable member from Welland, I take the view that this is an exceedingly important amendment. I have heard it read, and I must confess I do not know what its effect is. You cannot grasp the effect of those words in five minutes. Every honourable member of the House should have an opportunity of looking at it squarely and understanding exactly what it means.

Some Hon. SENATORS: Question.

Hon. Mr. DANDURAND: Honourable gentlemen, the Committee can always postpone consideration of an amendment; but on the point of order itself I may say that my clear recollection of the rule is that a notice must be given of an amendment to a private Bill in Committee, but when that notice has been given the amendment may be amended without any further delay.

Some Hon. SENATORS: Question.

The Hon. the CHAIRMAN: I understand that a point of order has been raised. I decided at the last sitting of the Committee on this Bill that the amendment submitted, being an important one, required one day's notice. The amendment then made was to the effect that the vote should be taken by ballot. The amendment now substituted I consider exactly the same except as to the procedure—when and how the ballot shall be taken. I therefore consider that the change, if any, is not material. Therefore this amendment should not be held to be an important amendment under Rule 130. That being the case, no notice of one day is required.

Some Hon. SENATORS: Question.

Hon. Mr. GILLIS: Honourable gentlemen, just a word. As has been stated, this is a new amendment, and, although it is somewhat similar to the one we had under discussion the other day, there are certain changes in it. While I am not going to ask that the debate be adjourned, still I want to have the proposed amendment clearly understood. Under this proposal, has the congregation power to distribute ballots, if necessary, among its members? Are there any restrictions in that respect?

Hon. Mr. ROBERTSON: All I can say to my honourable friend is that the fullest latitude and liberty is given to every congregation to conduct the ballot in any way that they see fit—

Hon. Mr. GILLIS: They have absolute power?

Hon. Mr. ROBERTSON: —except that the law will require that the vote shall be by ballot.

Hon. Mr. GILLIS: They can conduct the vote just as they see fit?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. REID: Honourable gentlemen, I move, in amendment to the amendment, the following:

> The vote herein provided for shall be taken by ballot in such form and manner and at such time within the limits prescribed by this Act as shall be determined by a majority of those present and entitled to vote at the meeting referred to in subsection 1 hereof. Provided, however, that the ballot arranged for shall be of such character and shall be so marked as not to disclose the identity of the voter.

That is short and simple. Anyone will understand it.

Hon. W. B. ROSS: Lost.

Hon. Mr. CASGRAIN: Lost. Question.

Some Hon. SENATORS: Lost.

The Hon. the CHAIRMAN: I understand that the honourable member from Grenville (Hon. Mr. Reid) desires to substitute the sub-amendment for the amendment.

Hon. Mr. REID: That is, for the amendment of the honourable member from Welland (Hon. Mr. Robertson). My reason for moving this amendment is that congregations will more easily understand how to conduct the voting, and if the absentee vote is to be taken it can be done under this amendment, as I understand it.

The sub-amendment proposed by Hon. Mr. Reid was negatived: yeas, 13; nays, 47.

The amendment of Hon. Mr. Robertson was agreed to.

Hon. Mr. GILLIS: Is it necessary to change the wording of subsection a of section 10?

Hon. Mr. REID: Section 10 has not yet been passed. I have another amendment which I wish to suggest for the consideration of honourable gentlemen. It is this:

That subsection b of section 10 be amended by adding the words, "and adherents who are financial supporters of the church," after the word "church" in the fourth line; and the words, "and are on the financial record of the church as supporters," after the fourth line of such subsection.

I will explain what that means. The vote taken in 1915, which was quoted to us as a reason why this union should take place, resulted in this manner: 106,000 communicants and 36,000 adherents voted for union, making about 142,000 for union. In the vote against union there were some 21,000 adherents and 60,000 communicants.

There are in the Presbyterian Church a large number of persons who have never been anything but Presbyterians, who are known as adherents. They have not taken communion or become members in that way, though they may have been baptized in the church. They have always been regular attendants, and large financial supporters; but not having taken communion they would not have the right to vote under this Bill, and as a result a very large number of good, staunch Presbyterians would be prevented from voting. Those adherents do not all belong to what is called the minority; many of them belong to the other class. Such persons, who have been recognized as staunch Presbyterians, because they have attended the church and have been large subscribers to its funds, should have the same right to vote as they had in 1915. My amendment cites the fact that they are on the roll of the church as financial supporters, and have been paying regularly. I think it would make for harmony in a congregation if these adherents were not deprived of the vote. I have always understood that the word "members" really meant adherents as well as those who are now classed as members, because this clause now reads:

(6) The persons entitled to vote under the provisions of the first clause of this section shall be only those persons who are in full membership.

I appeal to the House to give consideration to my amendment. Surely we should have this Bill in a form which will cause as little friction as possible, if it is going to be put through.

I do not know whether this amendment applies to the other denominations, that is, the Methodist and Congregational churches, which have members in full communion and also adherents. I do not want to suggest anything that would be unfair to those other churches.

Hon. Mr. GILLIS: I do not see any serious objection to this amendment, although the membership or communion roll is the basis on which the vote is taken, and it is probably the safer course to use that roll. At the same time, the matter is left largely to the individual congregation, which will be empowered under this Act to say who shall and who shall not vote. It is quite true that a large number of those who are called adherents are the strongest supporters of the church, and on a great many matters they are entitled to vote now. However, the amendment would not do any harm, and would probably entitle a large section of the church to have a voice in the management of its business.

Hon. Mr. ROBERTSON: Before discussing the amendment I would respectfully point out that there are in Canada approximately 1,400,000 people who at the last census termed themselves Presbyterians, and that there are in actual communion in the Presbyterian church slightly less than 400,000 people. I therefore leave it to the Chair to determine whether or not this is an important amendment. If, in his opinion, it is important, then it would be out of order, and we need not discuss it; if his opinion is that it is not an important amendment, then I will have some further remarks.

The Hon. the CHAIRMAN: I understand that this amendment deals with the procedure to be followed.

Hon. Mr. ROBERTSON: But who is to participate?

The Hon. the CHAIRMAN: I confess I am not sufficiently acquainted with the methods employed by the churches in voting on such matters; but this amendment appears to me to enlarge the voting body by bringing in another part of the congregation. Under the Bill only a part of the congregation would vote, but under this amendment another portion would come in to vote. I am not prepared to say that this is an important amendment under Rule 130. It may be, but it appears to me to be purely on a question of procedure, and therefore one which can be proposed without notice.

Hon. Mr. ROBERTSON: I felt that it was only proper to clear up that point before we discussed it for 15 or 20 minutes, and then had the question raised.

I submit, honourable gentlemen, that the churches themselves are the best judges as to who are entitled to vote and decide such a question as is to be placed before them under this section. Had the churches themselves said, "communicants and adherents" or "financial supporters," I should certainly have raised no objection; but inasmuch as they themselves must determine their own course of action, this House having now agreed that all congregations should exercise local autonomy in the taking of their ballot, I think we should also leave to the judgment of each congregation the question as to who is entitled to vote, and let them prepare their own voters' list in keeping with the general law.

Some Hon. SENATORS: Question.

Hon. Mr. REID: These matters are very important—so important that longer time than an hour should be allowed to put this Bill through.

Hon. Mr. ROBERTSON: We have been three days at it now.

Hon. Mr. REID: The honourable gentleman from Welland says the church should decide. I was led to believe, from the discussion a few days ago, that by the Church he means the General Assembly.

Hon. Mr. ROBERTSON: Allow me to correct my honourable friend. No, I do not mean the General Assembly. Every congregation has its own church roll of those who are in full communion and who are members of that church; and, as I understand it, they have asked, and the law as it stands provides, that every such person shall be entitled to vote. If that list is to be extended I fail to see how any voters' list, so-called, could be intelligently compiled, or how equality of treatment could be given.

Hon. Mr. REID: I understood that this Bill, as passed by the House of Commons, dealt with the General Assembly as one of the parties representing the Presbyterian Church, and I took issue with the decision of the members of the General Assembly. Let me give you one or two reasons why I say their decision was not in accordance with the wishes of the congregations. Take, for instance, the Presbytery of Port Arthur. That Presbytery comprises twenty-six congregations, and is entitled to only six members in the General Assembly. As was stated by Judge McKay at the General Assembly, the vote of the Presbytery was 16 for union and 10 against. At the General Assembly, where there were 6 representatives of the Presbytery, 5 voted for union and 1 against.

The honourable gentleman says that each church decides who shall vote. The clause which I have just read contains the words:

> The persons entitled to vote under the provisions of the first clause of this section shall be only those persons who are in full membership.

If you will strike out the word "full" and say, "who are in membership," and let the men and women vote who are subscribing and paying for the support of the church, whether members or adherents, I will accept that. I think it better to have it understood that all members and adherents on the roll of any particular church, and who were recognized as members of the church, should be entitled to vote; and I move to that effect.

Hon. Mr. ROBERTSON: I think, honourable gentlemen, that the churches themselves have already decided this question, because under rule 14 of the bluebook which contains the rules and forms of procedure of all Presbyterian churches in Canada, specific provision is made. The rule reads as follows:

> At any meetings of the congregation when matters relating to temporal affairs of the congregation, and not affecting the order of worship, the discipline of the Church, or the disposal of property—

This is a question of the disposal of property—as to whether it is to go into the United Church or not.

Hon. Mr. REID: It goes further than the disposition of property: it has to do with the disposition of religion.

Hon. Mr. ROBERTSON: That also is prohibited.

Hon. Mr. REID: Under that rule adherents have the right to vote except as to the disposal of the property of the church.

Hon. Mr. ROBERTSON: No.

Hon. Mr. REID: When it comes to a question of destroying their religion, the honourable gentleman says they should not have the right to vote. I think that is most unfair, and I think we should give some consideration to it.

Some Hon. SENATORS: Question.

The proposed amendment of Hon. Mr. Reid was negatived: yeas, 10; nays, 39.

Section 10 as amended was agreed to.

Section 28 was agreed to.

The preamble was agreed to.

On the title:

Hon. Mr. ROCHE: Honourable gentlemen, when this Bill was first brought before the Senate, I gave notice that when the title came up I would move an amendment. I think the honourable gentleman who introduced the Bill will agree with me that it would be advantageous at the inauguration of a new Church for it to have the good will of other denominations, and to be in harmony with them so as to secure their co-operation. The title of this Bill is invidious; it is irritating; it is offensive. It implies that this Church is a synonym of all Canada; that it has the exclusive patronage of the church; that it is coincident with Canada. It is in derogation of the other denominations because it involves the idea that this is the exclusive Church, identical with Canada — in fact, the State Church of Canada.

I do not wish to argue this question any further. My amendment is simply to add the two letters "es" to the word "church" in the title of the Bill. The idea in the Bill is concrete and singular: my amendment would make it an amalgamation and consolidation. That is all I have to offer.

The proposed amendment of Hon. Mr. Roche was negative.

The title was agreed to.

The Bill was reported as amended, and the amendments were concurred in.

THIRD READING

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

Some Hon. SENATORS: Now.

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

Hon. Mr. REID: Well, Mr. Speaker, of course if it is the wish of the House that it should be read now, I suppose it will have to go on; but I understood that one day must elapse before that could be done. It is not that I wish to delay the Bill, but surely we are entitled to see the amendments.

The Hon. the SPEAKER: I would point out to the honourable gentleman that a few days ago the rule dealing with these matters was suspended; so the question is entirely in the hands of the House.

Hon. Mr. REID: Am I in order to say a few words on this Bill now? If I am, I would like to do so.

There could not be any clearer evidence in the world than the way this Bill has been pushed through to-night that it is being railroaded through. Is there any member of the Senate who has ever known of a Bill being railroaded through this House in the way this one has? On Wednesday morning last, I think it was, the leader of the Government in this House moved that certain rules be suspended. Little did I or anyone else think at that time that that motion was intended almost exclusively for this particular Bill. Within an hour afterwards this Bill was taken up, and the House went into Committee on it on Thursday. It could not do so before. We spent two or three hours on it on Thursday; then it was put over until Monday night. To-night it was taken up at 8 o'clock, and it is put through an hour and a half later.

This is a bill that is destroying the Presbyterian church—a Bill that without doubt is interfering with and destroying the religion of hundreds of thousands of people in this country; and yet the honourable the leader of the Government moved the suspension of the rules in order that this Bill might be one of the Bills that could be railroaded through. Surely, honourable gentlemen, a Bill of this importance, interfering with the rights of so many people, should have had better treatment at the hands of honourable members.

I was astonished, and could hardly believe my ears, when I heard the statement made by the honourable gentleman who moved the Bill that the vote of the General Assembly for union was 400 to 127, or something like that. That was one of the reasons given that we should push this Bill through. And when I learned afterwards that that was not a fair vote, as representing the many congregations, I did think we should give the matter consideration in this House. The rule of this Chamber is that every Bill shall go to a Committee of the House for consideration. So far as my memory goes, this is the first important

Bill that has been presented to the House this Session that has not been sent to a Committee. There has been no opportunity for members to become informed as to just what the Bill means. The Bill was prepared originally, I suppose, by the Generally Assembly. It was then submitted to the House of Commons, which dealt with it; it then went to a Committee of that House before coming here. That Committee of the House of Commons heard all the evidence. We have heard none. As I have said, the members of this House do not know what the Bill really means. As I stated a few days ago, among the 19 Presbyterians in this Chamber, there is a considerable division. Surely it is not fair and right that we should have our religion destroyed in this way, after as little attention has been given to the matter as has been given in this Chamber.

In my opinion, honourable gentlemen, you are just establishing another Church in this country. A large percentage of the members of the Presbyterian Church will not stand for the railroading through of this Bill in this way. They will continue their churches. If they had been treated fairly by the Senate, and had been given an opportunity to present their case, probably they would not have been so much disturbed as they will be by the way we have railroaded this Bill through.

I appeal to you, honourable gentlemen, to give us some consideration. The very last request made to-night is denied by the honourable gentleman who presented this Bill (Hon. Mr. Robertson) along with the other members of the Senate. Parliament will not prorogue for several days. The Bill could have been left over until to-morrow, and could have been taken up as the first order of business, and probably an hour would have been sufficient to have put it though. But you refuse that; you railroad it through; you tell the minority: "We do not care for your rights; we do not respect them; you have no rights, and we will not give you any time whatever."

The people of this country will resent such treatment. In a great country like this, where we want harmony, you are starting out with nothing but friction, nothing but trouble. I know honourable gentlemen in this House who have forced this Bill through, and who will not listen to anything or do anything to promote harmony. They think that when this Bill is voted through to-night that will be the end of it. I may tell them that they are labouring under a wrong impression. They will hear of this for many years to come. More than that, there will be similar cases of other churches or religious bodies coming to this House; and if we treat those who are in trouble the next time in the same manner as we have been treated this time, there will be further trouble. I think you have made a mistake. I think you should have taken a little more time. You should have tried to promote harmony. The other evening, when the question of the vote arose, it did not take long to deal with it so that practically everyone was satisfied. As to anything else that is asked for—"No, we refuse." All right, honourable gentlemen. As far as I am concerned, I am content to let the Bill go through to-night, if that is your desire. If it is your desire to create more trouble and friction in this country, to make enemies of those who are now friends, do so. I am not complaining: I am just laying the matter before you.

Hon. Mr. GILLIS: I want to say just one word with regard to this Bill. I wish to take this opportunity of expressing my disapproval of the principles of the Bill from beginning to end. It contains, to my mind, a certain amount of coercion. It deprives the strongest Protestant denomination in Canada of its name. By it an attempt is being made to deprive that denomination of its religion, and to shove it in, push it in, force it in, with others with which it has nothing particularly in common. It is unfortunate that this scheme of union was ever started. It is only the beginning of trouble. As the years go on we shall find that the action taken by this House will not settle the differences that have arisen in connection with this Bill. They will only increase. Communities are to-day divided, congregations are divided, homes are divided, under this Bill, and it causes friction and trouble on every hand. The only thing that we have to look forward to, as Presbyterians—for I am speaking as an adherent of the Presbyterian Church of Canada, the Church with which I have been associated all my life—is that the justice that is denied to us by Parliament will be forthcoming when the question is brought before another tribunal. This is our hope, and I feel confident that the justice of our case will warrant their taking an attitude somewhat different from that which this Parliament has taken.

I quite agree with the statement of the honourable member for Grenville that we have shown undue haste in putting the legislation through this House. This is the most important Private Bill that has ever come before this Chamber, and, instead of allowing it to take the usual course of Private

Bills, we suspended the Rules in that regard, and this Bill has been put through its various stages hurriedly.

I do not suppose there is any use in adding any more to what has been said; but at the close of the episode of this wonderful Union Bill, I want to express my disapproval of principles of it from one end to the other.

Hon. Mr. TANNER: Honourable gentlemen, before my honourable friend the leader of the Government closes the discussion I wish to direct his attention to a clause in the Bill as now adopted. It is not because I have any objection whatever to the legislation, for I have voted consistently for it while it has been under consideration; but there is here a clause which I understand was not in the Bill as drafted by the promoters, nor was it suggested or desired by the persons who have been opposing this legislation. It seems to have been added to the Bill without the request of the parties on either side.

In order that I may be understood, perhaps I had better read the clause, 29. It reads as follows:

> Inasmuch as questions have arisen and may arise as to the powers of the Parliament of Canada under the British North America Act to give legislative effect to the provisions of this Act, it is hereby declared that it is intended by this Act to sanction the provisions therein contained in so far and in so far only as it is competent to the Parliament so to do.

I believe that this is the first occasion on which Parliament has seen fit to declare in any of its statutes that it is legislating only in so far as it has power to legislate.

Hon. Mr. LYNCH-STAUNTON: They got that out of Gilbert and Sullivan's opera.

Hon. Mr. TANNER: If the information is available, I would like to know of any subject upon which this Parliament can legislate, in respect to which it has not power to legislate. This statute says we are legislating so far as we have power to legislate—which appears to me as a mere absurdity. I refer to it only because the promoters, I am sure, would never suggest such a clause; neither would the gentlemen who are opposing the Bill. I understand that this legislation is likely to go to the Privy Council in England.

Hon. Mr. LYNCH-STAUNTON: What is to guide the Privy Council?

Hon. Mr. TANNER: Out of respect for ourselves, out of respect for this Parliament, I would be sorry indeed to see a clause like that go before the Privy Council. I suspect that the eminent members of the Bar who compose the Privy Council would be amazed to find this Parliament placing at the tail-end of a statute the declaration that it is legislating only so far as, and no farther than, it has power to legislate.

My object in calling attention to it now is to ask my honourable friend if he can give any substantial explanation as to why it is here, and if he would not, even at this late date, think it advisable, out of respect for the Canadian Parliament, to have it omitted from the Bill. It is of use to no one, as far as I can understand. It does good neither to the promoters nor to those who are opposed to the Bill; but the Bill will go to the Mother Country with a declaration which I think is not at all creditable to our understanding. I desire to ask my honourable friend whether he will not take it out even now.

Hon. Mr. DANDURAND: I really cannot understand why my honourable friend is addressing his remarks to myself, with regard to a Bill which is not under my governance.

Hon. Mr. TANNER: I am addressing my honourable friend the leader of the Government as the custodian of the honour and dignity of Parliament.

Hon. Mr. DANDURAND: I see that my honourable friend is somewhat concerned about the reputation of this Parliament, and how it may be effected when this statute is brought before Their Lordships of the Privy Council. If they seem to smile at that clause, one of the Counsel from Canada might bring forward an Act passed by the British Parliament some years ago which covered similar ground and which undertook to determine the doctrine and discipline of the United Church of Scotland. Perhaps that Act of Parliament, which was cited in another place, is more extraordinary than this enactment.

Hon. Mr. REID: I want to call the attention of the honourable leader of the Government to the fact that when anyone speaking of this Bill referred to another place he was ruled out of order, and the honourable leader of the Government is doing that very thing.

Hon. Sir JAMES LOUGHEED: Withdraw.

Hon. W. B. ROSS: Order.

Hon. Mr. DANDURAND: This clause adds nothing to, and it takes nothing from, the powers of the Canadian Parliament; but I have heard during the last three months discussion by wise and very learned Counsel

as to the respective rights of the Provinces and the Federal Parliament to legislate in the matter that is now before us. It has been observed that the activities of these churches extend beyond the Provinces into the unorganized territories and that they may own property outside of Canada. I am citing one case only. I suppose that this clause has been added in order to give notice to the world, and particularly to all those who have considerable doubt as to the propriety of this Parliament intervening, that we are legislating only so far as our jurisdiction goes. I do not know whether that will satisfy my honourable friend.

Hon. Mr. TANNER: Will it be adopted as a standard clause and inserted in every statute after this?

Hon. Mr. CASGRAIN: When we create religions.

Hon. Mr. DANDURAND: There may be similar cases.

Now, reverting to the remarks of the honourable gentleman from Grenville (Hon. Mr. Reid), who complained of the treatment that the opponents of this legislation had received in the Senate, I would like to draw his attention to this fact, that on the 4th of July, as the Senate was about to adjourn, I stated that the Superannuation Bill was to come before us in the early days of the following week, and I mentioned also the Church Union Bill. I then ventured the opinion that we should deal with it in Committee of the Whole, and that this was something honourable gentlemen could consider in the meanwhile. This was the view I held as to this piece of legislation, which is a Private Bill, but is of semi-public interest, to say the least —that when it came before us, after the discussion that had taken place during the last five or six months, the members of the Senate would have their minds fairly well made up. As a matter of fact, after the Rules were suspended, the matter was entirely in the hands of the Senate. The second reading was taken without a division, and I was informed by prominent opponents of the Bill that the only amendment that was to be moved related to the manner of voting—the question of the ballot. If that was all that was in the minds of the opponents of the Bill, surely there was no necessity for sending the Bill to a Standing Committee to hear arguments already hashed and rehashed. I am quite sure that the great majority in this Chamber, perhaps all, needed no further light from outsiders. And I may inform my honourable friend that he has had all the latitude necessary to move amendments. We are now at the third reading, and if he has any amendment to bring forward, there is yet time. He is not limited in the number of amendments he may move. I am surprised that my honourable friend, having succeeded in the essential point which he intended to bring before this Chamber, should show such ill-humour. If the ballot was the principal or perhaps the only question to be brought before the House, has he not obtained it? Yet he rises to complain. Of course he does not forget that he was for a number of years Minister of Railways, and he complains that this Bill has been "railroaded" through this House. It has not been railroaded, and it can be stopped at this last station—the third reading—in order that my honourable friend may be heard on any point that he desires to raise.

Hon. Mr. REID: The honourable gentleman states that on the 4th of July—that is, about ten days ago—he mentioned that this Bill would be taken up in the following week. If my memory serves me aright, he stated at the same time that he expected prorogation the following Wednesday. I took issue with him at that time, because Saturday and Sunday intervened, leaving only about four days. I think I mentioned the number of days that we would have in which to take up this Bill and all the other legislation that was coming from the House of Commons. The Superannuation Bill came after this, and it went to a Committee. I have always been under the impression that the Rules of the House required every Private Bill to go to a Committee. If we are to accept the argument of the honourable leader of the Government, what is the use of sending any Bill to a Committee? I suppose the minds of honourable gentlemen were all made up on the question of the Branch Lines. Why did you send that to a Committee? If you had not sent it to a Committee, I suppose we would have voted away eight or ten millions of dollars more than we did after considering the matter in Committee. Bills are referred to Committees for the purpose of obtaining evidence. The Honourable gentleman says that the honourable members of the Senate had made up their minds how they were going to vote on this question of Church Union. If that is a reason for not sending the Church Union Bill to Committee, then I hope that in future the honourable gentleman will see to it that any other Bill coming into this House receives similar treatment. I say that it is unfair to put a Bill of such importance through the

House in the way that he has done, without having it referred to a Standing Committee.

The very fact of the honourable leader of the Government moving for the suspension of all Rules within an hour or two before this Bill was brought up is evidence, to me at all events, that every possible means was used to railroad this Bill through and not give it justice. Just think, honourable gentlemen! A Bill of this importance, that took weeks and months in other places, in hearing evidence and opinions, in order that judgment might be passed upon it, has been given about three hours' consideration by the Senate on Thursday night and another three hours tonight—six or seven hours altogether. If the same treatment should be applied to any case before a court, what would be the use of bringing witnesses before a judge in order that he might determine the case? He could read all about it in the newspapers, and then decide the case. The fact is that on this Bill alone the Senate has been used as a rubber stamp. We have not had an opportunity of hearing the evidence, or going into it. The Senate's action on this Bill will mean that when another religous Bill comes into this House—and I hope it may be a long time before another one comes—honourable gentlemen who are members of the Senate will give it the consideration to which it is entitled, and not put through in a few hours a Bill of such importance.

The honourable gentleman says that I have had every opportunity, as I moved my amendment. That is an unfair statement to make. I had no opportunity to consult with those who wished to discuss this matter on the evidence that was brought forward. I was gagged, because I could not get the evidence before the Committee. I was gagged, right from the start, as was every member here who wished to take an interest in the Bill. I started out with a view of trying to get the Bill in such a shape that there would be the least friction and trouble, as several thousand congregations will have to deal with these matters. There are 1,408,000 Presbyterians before whom this Bill will go, and who will decide whether their church is to be merged with others, or whether they are to remain in their own Church, that has stood for hundreds of years.

It was my hope that when this Bill was put before the Senate we could take it up and deal with it properly, and do it justice. Instead of that, the fact will be used in every church that the Senate, though an independent body—not a body whose political life could be threatened if it exercised any influence against this Bill going through—was the one that used such influence. The Senate has always boasted of being an independent body, but here comes a question that concerns 90,000 Presbyterians, if we count the minority, and we have those 90,000 against us. There were 90,000 who believed the Senate would act independently; who believed that we would give the Bill fair and honest consideration; yet I defy any member of the Senate to go before any congregation and say that this Bill received the slightest justice here in the way of an opportunity being given to those who wished to have it fully discussed.

The leader of the Government is the one who must take charge of procedure as to every one of these Bills, whether private or public. We did not ask that this Bill should receive treatment different from that which is given to every other Bill, public or private; but the leader of the Government was one of the first to prevent the Bill from receiving justice. He saw that this motion was moved so that the Bill could be passed without going through the Committee. I appealed to him for fair play and justice for this Bill; but I appealed in vain; and I want to tell the honourable gentleman that the minority of 90,000 people in this country are not going to be downed, and their religion is not going to be taken away by the action of the leader of the Government in not letting this Bill go before the Committee. The Presbyterians will not be downed. This country will give British justice to a minority or to a single individual. I believe I shall live to see the day when British justice shall be done to the good old Presbyterian Church, which has existed for hundreds of years—a Church that has minded its own business, a Church to the abolition of which the leader of the Government has been a party. Yet that good old Church will stand in Canada as it has stood in other countries. Although an attempt has been made to wipe it out, honourable gentlemen will find that Presbyterians will live, and they will build their churches, for no man, woman or child in this country can destroy the religion which Presbyterians were taught at their mother's knee, and which they have lived up to and believed in; and no Parliament will be able, by passing an Act, to force them to desert their doctrines. No Parliament can make any man change his religion. It cannot make me do so, nor can it make the 90,000 who are in the minority; and when the vote is taken and fulfilled, we will come back to this House and show that the majority of Presbyterian members in Canada were against this Bill, but that they were treated unfairly, and that, having been treated unfairly, they will see that justice is done, and will carry on their religion, which

they believe is right and true, so far as they are personally concerned.

The motion of Hon. Mr. Robertson was agreed to, and the Bill was read the third time, as amended, and passed.

INDUSTRIAL DISPUTES BILL

CONSIDERATION OF COMMONS AMENDMENTS

The Senate proceeded to consider the Message from the House of Commons disagreeing to the amendments made by the Senate to Bill 7, an Act to amend The Industrial Disputes Investigation Act, 1907.

Hon. Mr. DANDURAND: Honourable gentlemen, I move that the Senate do not insist upon its amendment.

Hon. Mr. LYNCH-STAUNTON: What is this?

Hon. Mr. DANDURAND: It is an amendment which was made by the Senate to the Industrial Disputes Bill, to replace the Minister of Labour in the jurisdiction, which he has exercised to this day, of appointing a third arbitrator when the two arbitrators in an industrial dispute cannot agree upon the umpire. This amendment was not agreed to by the House of Commons, for the reason given in the message which came from that House, "that the said amendment introduces a new feature in the said Bill, and would complicate rather than simplify procedure."

I have also received a memorandum from the Minister of Labour, which I will read:

Reasons which in the opinion of the Minister of Labour warrant respectful declination to accept the amendment to section 8 of the Industrial Disputes Investigation Act, 1907, which was inserted by the Senate.

Because the amendment is not relevant to the Bill which had as its object the amendment of sections 15, 57 and 58.

Because the amendment would complicate rather than simplify procedure;

Because the appointment of a chairman by a Chief Justice, whether the Chief Justice of a province or of the Supreme Court of Canada, would entail inevitable delay, and such delay would be particularly unfortunate since, despite every effort under present procedure, one side or other of the disputing parties is sometimes disposed to object to the time necessarily occupied in procedure;

Because a Chief Justice or other judge cannot possibly be as intimately seized of the nature of the dispute involved, and of the particular type, therefore, of man wanted for the chairmanship, as would be the Minister of Labour, who has established the Board and has been in touch with details of procedure from its inception;

Because it would be impossible to convey to a judge at a distant point by correspondence, which would of necessity be as a rule by telegraph, with consequent serious expenditure and some danger of inaccuracy, all the particulars of which should be properly at hand to enable the judge to reach a correct conclusion as to the type of person apparently best suited for the important duties involved; the judge would exercise his best judgment, and the appointment might or might not prove to be a good one;

Because the Minister who is charged with the administration of the statute would be freed from responsibility on this most vital aspect of administration, and the judges would become involved in the technicalities of departmental procedure;

Because, since a considerable proportion of the disputes dealt with under the statute extend to two or more provinces, the task of naming the chairman of Conciliation Boards would under the proposed Senate amendment fall most frequently to the Chief Justice of the Supreme Court, who from the nature of his functions may be presumed to be furthest removed from contact with industrial disputes, and necessarily, therefore, the more dependent on the advice of others as to the type of person best suited for chairman in a particular case;

Because, despite the high legal and other attainments which a Chief Justice would undoubtedly possess, it is submitted that, in addition to the complication and delays in procedure which the proposed system of appointing chairmen would entail, the suggested change would be highly detrimental to the successful administration of the statute.

These are the various reasons which have prompted the House of Commons to refuse to accept the amendment of the Senate. I believe that many of these reasons are unanswerable. In any particular dispute, the Minister of Labour has watched its development and has tried to prevent a fatal disagreement. He has been in consultation with both parties, and has seen to the working of the whole machinery of the Act. I believe that he is the best party to decide who should be the umpire, when the two parties to the dispute are unable to decide upon a third arbitrator.

When this matter was under review in the Senate I said that I was convinced that the Chief Justice, when applied to for the appointment of the umpire, would either have to call the parties before him and hear evidence as to the suitability of the person he proposed to appoint, or he would turn to the Department of Labour and consult with the Minister of Labour. I still hold to that opinion. I am fortified in my conviction that the Senate might well have left the matter under the supervision of the Minister of Labour, when I read in the newspapers that six Chief Justices of Courts of Appeal left the country last week for Europe.

Hon. Mr. BENNETT: Will the honourable gentleman allow me a question? Did he ever hear of such a thing happening to the courts as that another member of the court presided in place of a Chief Justice, when the latter left the jurisdiction?

Hon. Mr. DANDURAND: Yes, there could be another member of the judiciary to replace him as acting Chief Justice.

Hon. W. B. ROSS: And the amendment specifically provides for that.

Hon. Mr. DANDURAND: Of course, I do not know whether there is an acting Chief Justice appointed every time a Chief Justice leaves his province. Possibly there is; but here we have six Chief Justices leaving Canada, and we are without a Chief Justice of the Supreme Court, as we have been for the last five or six months.

Hon. W. B. ROSS: Why do you not get one?

Hon. Mr. BENNETT: Whose fault is that?

Hon. Sir JAMES LOUGHEED: Are you going to appoint one right away if we put this Bill through?

Hon. Mr. DANDURAND: My conviction is that we should not insist on that amendment, and depute the task of appointing a third arbitrator to any but the head of the Department of Labour, who since 1907 has performed that function, and has done his work to the satisfaction of the country in general. I took occasion, when this matter was up before, to say that in more than 50 per cent of the cases the third arbitrator was appointed by the two arbitrators representing the parties in the dispute. It seems to me, therefore, that the Senate, after having expressed its opinion last year, and again this year, should gracefully bow before the repeated opinion of the House of Commons in this matter.

With these few remarks I move that the Senate do not persist in its amendment.

Hon. W. B. ROSS: Honourable gentlemen, this amendment was discussed fully last year, and again this year, and I have nothing new to add with regard to it. The House passed the amendment by a very large majority, and all who voted for it did so, I have no doubt, for what they believed to be very good reasons. The Bill embodies a principle that you will find in Great Britain and every one of her colonies—that in arbitrations the hostile parties each name one of the arbitrators and a judge name the third. It is not necessary that this selection should be made by the Chief Justice in every case. There need be no difficulty by reason of the Chief Justice being away. In every case there is a man discharging the duties of the office of the Chief Justice, and that situation is fully provided for in the Bill. I hope the members of the House will adhere to their decision.

Hon. Mr. LYNCH-STAUNTON: I would like to make a suggestion, if I may. As the honourable gentleman has just said, it is a principle of British law that the arbitrator shall be selected by a person who stands indifferent between the parties. That principle has always been insisted upon, for the purpose of giving confidence in the tribunal, as far as possible.

I should be very sorry to be thought to be in any way criticizing or reflecting upon the Minister of Labour; but he is the representative of a class which is always one of the parties to these arbitrations. Clearly, then, it would be departing from the principle of which I have just spoken to allow a member of that class to appoint the arbitrator.

There is a great deal in the objection taken by the leader of the Government as to the impracticability on all occasions of getting an expeditious and satisfactory decision from a judge; and I would suggest, therefore, as a matter of compromise, that perhaps the Senate would be satisfied to substitute the Minister of Justice for the Chief Justice. The Minister of Justice is not identified with either the employer or the employee. Certainly it is most desirable that this law should meet the approval, in all its bearings, of both master and man; and there can be no doubt that a great number of employers are dissatisfied with the appointment remaining in the hands of the representative of the men.

Hon. Mr. DANDURAND: What justifies my honourable friend in saying the appointment is in the hands of the representative of the men?

Hon. Mr. LYNCH-STAUNTON: I understand the Minister of Labour is the representative of the men.

Hon. Mr. DANDURAND: No.

Hon. Mr. LYNCH-STAUNTON: Perhaps he is not, in the eye of the law, but we all know that he is usually a labour man—perhaps in one case he was not—and a member of labour unions.

Hon. Mr. DANDURAND: His one duty is to try to bring about peace and harmony.

Hon. Mr. LYNCH-STAUNTON: I am not reflecting upon either the present Minister of Labour or any of his predecessors. I am trying to explain that the vast majority of the employers believe that he is not indifferent between the two classes. It is not what a man is, but what he is thought to be, that matters. He may be as independent as any judge on earth, and perhaps he is; I do not wish to insinuate that he is not; but you will never convince the employer that the Minister of Labour is not the representative

of the artisans of this country. I readily admit that I have never heard of a case in which he has made an appointment where dissatisfaction has been felt and expressed, or where any wrong has been done. My only object in making the suggestion is that this Act, which I consider to be a very beneficial one, should in all its bearings excite the commendation of all classes of the people.

Hon. Mr. ROBERTSON: I would like to make a brief reference to the subject before the House, because I deem it one of very great importance—of much more importance than it would be if the particular amendment now under discussion were the only question that hung upon our decision. For two Sessions Parliament has considered and approved certain amendments to the Industrial Disputes Act, that are not now in question at all. But if both Houses persist in their present attitude, those amendments will not become law, and the same questions will have to be discussed again at another Session, with all the consequent results, which I think is undesirable from the standpoint of all concerned.

The suggestion of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) is one that perhaps merits some consideration. It is difficult to amend our action at this Session; but it seems to me wise under the circumstances for the Senate not to insist on its amendment in this particular matter, but to bring it up again on its own feet, so to speak, at the next Session, and then to discuss it on its merits and deal with it exclusively, and not to interfere with other amendments on which both Houses are in full accord. I hope nothing will be done that will have an unfortunate bearing on other features of the Act that are bound up in the legislation of this year.

The motion of Hon. Mr. Dandurand was negatived on the following division:

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Hon. Mr. LYNCH-STAUNTON.

IMMIGRATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 195, an Act to amend the Immigration Act.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I will ask Mr. Blair to come to the floor.

On section 1—domicile not acquired:

Hon. Mr. DANDURAND: The object of this amendment is to prevent domicile being acquired during the period an order for deportation or a permit to remain in Canada is in force in the case of a person who has been legally admitted to Canada, whose deportation has been ordered for cause subsequent to entry, and who is in Canada by permit for a specified period.

Section 1 was agreed to.

On section 2—members of family accompanying rejected person:

Hon. Mr. DANDURAND: Section 2 reads:

Section three of the said Act is amended by adding thereto the following paragraph:—

"(u) Members of a family (including children over as well as under 18 years of age) accompanying a person who has been rejected, unless in the opinion of the Board of Inquiry no hardship would be involved by separation of the family."

That is to say, the transportation company will be obliged to return the other members as well as the head of the family, when his deportation is ordered.

Section 2 was agreed to.

On section 3—permit to enter Canada or to remain therein:

Hon. Mr. DANDURAND: Section 3 reads:

Section four of the said Act is repealed and the following is substituted therefor:—

"4. (1) The Minister may issue a written permit authorizing any person to enter Canada."

The amendment is contained in the following words:

"or having entered or landed in Canada to remain therein—

Then it continues:

—without being subject to the provisions of this Act. Such permit shall be in the form A of the schedule to this Act, and shall be expressed to be in force for a specified period only, but it may at any time be extended or cancelled by the Minister in writing. Such extension or cancellation shall be in the form AA of the schedule to this Act."

The object of this amendment is to give authority for the issue of a Permit in the case of a person who has been legally admitted to Canada, whose deportation has been ordered, but who is being permitted to remain on probation.

Hon. Sir JAMES LOUGHEED: That is to say, after an order for deportation has been made. Then, I suppose, it is within the discretion of the Minister to stay the deportation and to allow the undesirable person to remain on probation. I doubt very much the wisdom of the policy in a provision of that character.

Hon. Mr. DANDURAND: This applies in a case where technically the party would fall under the class of undesirables; but there would be some justification for allowing him to remain on probation, just as we allow some freedom to a prisoner on ticket of leave.

Hon. Mr. LYNCH-STAUNTON: This applies only to people coming into the country, does it?

Hon. Mr. DANDURAND: No. The amendment will cover people who have been admitted legally into the country. The clause reads:

The Minister may issue a written permit authorizing any person to enter Canada—

These are the words that are added:

or having entered or landed in Canada to remain therein without being subject to the provisions of this Act.

Hon. Mr. LYNCH-STAUNTON: That would apply to a man to be deported for treason or anything like that?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: I cannot understand the reasoning of it. The Minister of Immigration really controls the order of deportation. Presumably his officials will be guided by his wishes. Then, notwithstanding that an order of deportation has been made, the undesirable is apparently allowed to remain in Canada on probation.

Hon. Mr. LYNCH-STAUNTON: It seems to me that by this it is intended to get around by a side wind what is prohibited by section 41 of the Act. That is the effect of it.

Hon. Sir JAMES LOUGHEED: Yes, it could have that effect.

Hon. Mr. LYNCH-STAUNTON: It clearly would have that effect.

Hon. Mr. DANDURAND: The explanation which is given me in a memorandum on section 4 is:

As the section stands, the permit of the Minister may be issued only for entry to Canada. By the change it is provided that any person who has been ordered deported and whom it is desired to parole or place under probation for a further period, may be placed under permit. This change is necessitated to fit in with the change in section 2 (d).

Hon. Mr. LYNCH-STAUNTON: Why is not judgment reserved, as is done in a court?

Hon. Sir JAMES LOUGHEED: My honourable friend will observe that it authorizes the Minister to issue a permit to allow the person to remain in Canada without being subject to the provisions of this Act. It gives him a wholesale exemption from all the obligations of the Act.

Hon. Mr. DANDURAND: The permit must be for a limited period.

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Sir JAMES LOUGHEED: A limited period may answer all the purposes of the undesirable .

Hon. Mr. LYNCH-STAUNTON: It may be twenty years.

Hon. Mr. DANIEL: Who makes the order for deportation in the first place?

Hon. Sir JAMES LOUGHEED: The officers of the Department.

Hon. Mr. DANDURAND: It is an officer under the Act.

Hon. Mr. LYNCH-STAUNTON: There is an appeal to the Minister from the officer, is there not?

Hon. Mr. DANDURAND: There is.

Hon. Mr. LYNCH-STAUNTON: Therefore it comes to the Minister?

Hon. Mr. DANDURAND: Yes, it may come.

Hon. Sir JAMES LOUGHEED: The Minister controls it.

Hon. Mr. LYNCH-STAUNTON: And he can reserve judgment as long as he likes.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: Therefore the person who has been ordered deported can be left in the country till the Minister is ready to let him out?

Hon. Mr. DANDURAND: That is true.

Hon. Mr. LYNCH-STAUNTON: Therefore there is no necessity for the amendment.

Hon. Mr. DANDURAND: With this qualification, that if the undesirable is allowed to remain in the country without a permit he may acquire domicile, whereas under the permit he will not.

Hon. Mr. LYNCH-STAUNTON: But they can prevent him from acquiring domicile by enforcing the Act at any time.

Hon. Mr. DANDURAND: But without the permit he will acquire domicile if he is five years in the country; whereas, the time during which he remains under permit does not count in the acquisition of domicile.

Hon. Mr. LYNCH-STAUNTON: It seems to me it is intended to go further.

Hon. Sir JAMES LOUGHEED: He can be authorized to remain in Canada notwithstanding.

Hon. Mr. DANDURAND: I am informed that cases have presented themselves and that the Department feels the need of this amendment. It cannot do much harm. It forms part of the machinery and allows latitude to the Department to permit any person whose deportation has been ordered to remain, for cause, under the surveillance of the officers of the Department, but without the time during which he is allowed the permit counting in his favour for the acquisition of domicile.

Hon. Sir JAMES LOUGHEED: If it becomes necessary for the proper working of the machinery of the Act, and if it is not to evade the provisions of Section 41, over which the Department has been seeking for some time past to succeed, a limited time might be fixed. We might take a little further time for considering this.

Hon. Mr. DANDURAND: I am told that these permits never go beyond a year, and they are often for less.

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that he permit the clause to stand until we deal with Section 8, regarding Section 41, which has always been a storm centre in this Chamber.

Hon. Mr. DANDURAND: I have the assurance that it has nothing to do with the working of clause 41. If my honourable friend insists upon it, I move that this section be allowed to stand.

Hon. Sir JAMES LOUGHEED: If it is necessary for the working of the Act, I suggest that we fix a limited time for the permit—say six months; and it could be made renewable.

Hon. Mr. DANDURAND: I will ask the Department to examine that suggestion.

Hon. Sir JAMES LOUGHEED: But I can see how it could be used to evade the obligations of Section 41.

Hon. Mr. DANDURAND: There has been added to the Bill an amendment calling for a return within thirty days after the opening of Parliament.

Hon. Sir JAMES LOUGHEED: That is all right. We do not pay much attention to returns.

Section 3 stands.

On section 4—cases where appeal allowed from Board:

Hon. Sir JAMES LOUGHEED: What is the object of that?

Hon. Mr. DANDURAND: Section 4 reads:

Section nineteen of the said Act, as amended by section six of chapter thirty-two of the statutes of 1921, is repealed and the following is substituted therefor:—

"19. In all cases other than provided for in the next preceding section an appeal may be taken to the Minister against the decision of any such Board of Inquiry or officer in charge by the immigrant, passenger or other person concerned in the case, if the appellant forthwith serves written notice of such appeal (which notice may be in form C in the schedule to this Act) upon the officer in charge or the officer in whose custody the appellant may be. In case of the appeal being dismissed by the Minister, the appellant shall forthwith be deported."

Hon. Sir JAMES LOUGHEED: What is clause 18? This deals with all cases "other than provided for in the next preceding section." Apparently no appeal lies in the cases enumerated in section 18. I have not section 18 before me.

Hon. Mr. DANDURAND: I will look up Section 18. In the meantime, I may say that the new clause simply contains a new policy. All the costs are borne by the transportation company if the party is deported, or until he is admitted into the country.

Hon. Sir JAMES LOUGHEED: Does it deal only with the question of costs?

Hon. Mr. DANDURAND: This is the old clause 19:

In all cases other than provided for in the next preceding section an appeal may be taken to the Minister against the decision of any such Board of Inquiry or officer in charge by the immigrant, passenger or other person concerned in the case, if the appellant forthwith serves written notice of such appeal (which notice may be in form C in the schedule of this Act), upon the officer in charge, or the officer in whose custody the appellant may be, and shall at the same time deposit with such officer the sum of twenty dollars for himself and ten dollars for each child or other person dependent upon such

appellant and detained with him, such sum to be used for the purpose of defraying the cost of maintaining the appellant and those dependent upon him, pending the decision of the Minister on such appeal, and the cost of such appeal. In case of the appeal being allowed by the Minister or by the Board of Inquiry on a re-hearing, then the said sum shall be returned to the appellant; and in case of the appeal being disallowed by the Minister or by the Board of Inquiry on a re-hearing, then the balance of such sum, if any, after deduction of regular detention charges for board and the cost of such appeal, shall be returned to the appellant; and the appellant shall forthwith be deported. The cost of appeal means the cost of such appeal to His Majesty, and in case of dispute the decision of the Minister fixing the amount thereof shall be final and conclusive; such cost shall not include legal fees.

The new Act—

Hon. Mr. LYNCH-STAUNTON: Strikes out all about costs?

Hon. Mr. DANDURAND: All about costs.

Hon. Sir JAMES LOUGHEED: That is not unreasonable.

Hon. Mr. McLENNAN: Which cases are referred to in clause 18?

Hon. Mr. DANDURAND: Clause 18 reads:

There shall be no appeal from the decision of such Board of Inquiry as to the rejection and deportation of immigrants, passengers or other persons seeking to land in Canada, when such decision is based upon a certificate of the examining medical officer to the effect that such immigrants, passengers, or other persons are afflicted with any loathsome disease, or with a disease which may become dangerous to the public health, or that they come within any of the following prohibited classes, namely, idiots, imbeciles, feeble-minded persons, epileptics and insane persons: Provided always that Canadian citizens and persons who have Canadian domicile shall be permitted to land in Canada as a matter of right.

Hon. Mr. LYNCH-STAUNTON: All it amounts to is this, is it not, that where a man appeals it is not necessary that he should deposit any sum for costs?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: That is, I think, a very proper provision.

Section 4 was agreed to.

On section 5—stay of proceedings; return of record:

Hon. Mr. DANDURAND: This is a consequential amendment.

Hon. Sir JAMES LOUGHEED: Carried.

Section 5 was agreed to.

On section 6—free transportation:

Hon. Sir JAMES LOUGHEED: This seems to be all right. The only additions are the words underlined?

Hon. Mr. DANDURAND: Yes: "and shall also furnish free transportation to one immigration officer of each of the Provincial Governments."

Hon. L. C. WEBSTER: Have the steamships companies been consulted on that paragraph? I do not think we should force the steamship companies to provide free transportation for those officers.

Hon. Mr. DANDURAND: The railway companies do not object to furnishing free transportation, but this clause is necessary inasmuch as the law prevents them from giving passes to certain parties.

Section 6 was agreed to.

On section 7—medical treatment:

Hon. Mr. DANDURAND: The amendment to clause 34 of the Act is contained in the last three lines of subsection 1:

and the cost of his hospital treatment and medical attention and maintenance shall be paid by the transportation company which brought such person to Canada.

That is, the transportation company that has been obliged to take care of the sick person during the trip will have to continue to take care of him until he is admitted into Canada. If on arrival at a port the sick person brought in by the transportation company is in need of further treatment, it will be given at the expense of the transportation company.

Hon. Mr. McLENNAN: Have there been cases which make it appear that subsection 2 of the section repealed does not cover the equities of the case? Is it not sufficient to provide that where the transportation company has not used due diligence it shall pay but that in other cases it shall not pay? This proposed amendment makes the transportation company liable in every case.

Hon. Mr. DANDURAND: The transportation companies know that the immigrant whom they bring to a Canadian port must pass an examination and be accepted in Canada. The principle underlying the amendment is that the company shall be responsible for the cost of bringing that immigrant until he is regularly admitted into this country.

Hon. Sir JAMES LOUGHEED: It makes the transportation companies more careful. They should not bring out to Canada any person who is sick.

Hon. Mr. McLENNAN: The clause being repealed simply provides that the decision in the matter rests with the Department. If the transportation company had not used due diligence, they had to pay. Many of these matters are obscure, and the penalty on the company is rather heavy.

Hon. Mr. DANDURAND: But the responsibility is upon the transportation company to select proper immigrants.

Hon. Mr. McLENNAN: I am not controverting the necessity of that.

Hon. Mr. DANDURAND: And they must be acceptable in Canada.

Hon. Mr. McLENNAN: But the question is whether the old clause would not cover the cases by leaving it to the Department to determine whether the company had used due diligence or not.

Hon. Mr. DANDURAND: That would involve a trial to ascertain what diligence the company did apply in each particular case.

Hon. Mr. McLENNAN: This old clause has been in force for some time, and if it has proven to be weak, of course there is no reason why we should not amend it.

Hon. Mr. DANDURAND: I have this note on that question, which shows that it is not such a heavy charge on the Company:

If the transportation companies last year had paid all the costs for which they will be liable under the amended section, the total would not have amounted to more than 25 cents per passenger for all passengers carried.

Section 7 was agreed to.

On section 8—certain aliens deemed to be undesirable immigrants:

Hon. Mr. DANDURAND: I move the adoption of this section.

Hon. Sir JAMES LOUGHEED: Withdraw that. We have voted that down on two former occasions.

Hon. Mr. DANDURAND: But my honourable friend must remember that the House of Lords has no right to vote it down more than three times.

Hon. Sir JAMES LOUGHEED: Well, give us a third opportunity.

Hon. Mr. DANDURAND: I will explain in one phrase the purpose of new section 41. The old section 41 which is still on the Statute Book allowed the deportation of British subjects born outside of Canada. This enactment exempts them, and will now apply to aliens only.

Hon. Sir JAMES LOUGHEED: Well, all our troubles have been due, not to aliens, but to the others.

The motion of Hon. Mr. Dandurand was negatived: yeas, 7; nays, 25.

Hon. Mr. McLENNAN.

On section 9—arrest or prosecution of rejected or deported person remaining in or returning to Canada except in case of inability to comply with rescinded Order in Council:

Hon. Mr. DANDURAND: Under the Opium and Narcotic Drug Act there is no provision for making the return a penal offence. The deported person may return under the Immigration Act without any penalty. The amendment provides for the right to deport him.

Section 9 was agreed to.

On section 10—cost of maintenance of rejected immigrant pending return:

Hon. L. C. WEBSTER: What is the change there?

Hon. Mr. DANDURAND: The maintenance cost was charged to the transportation company only after rejection. Now all costs are charged to the transportation company until the immigrant is admitted or deported.

Hon. L. C. WEBSTER: Why should it not be left as it was, and not put the extra tax on the steamship companies, that are already overburdened with expense?

Hon. Mr. DANDURAND: I am informed that the transportation companies are paying now under agreement without even this change, and we have heard no dissent from this amendment.

Hon. L. C. WEBSTER: Were the steamship companies consulted on these clauses?

Hon. Mr. DANDURAND: They were.

Hon. L. C. WEBSTER: And did they agree?

Hon. Mr. DANDURAND: They raised no objection to this amendment.

Hon. L. C. WEBSTER: That is not the information that I have.

Hon. Mr. DANDURAND: There may be other clauses to which they did not agree, but Parliament in its wisdom decided against them.

Section 10 was agreed to.

On section 11—application of Act to Chinese:

Hon. Mr. DANDURAND: Since the Senate in its wisdom has rejected the amendment to section 41, there is perhaps no danger in allowing this section.

Hon. Sir JAMES LOUGHEED: Fix a date, and make it reasonable, not exceeding six months.

Hon. Mr. DANDURAND: I think we could well afford to leave that to the Department.

Section 11 was agreed to.

Hon. Mr. DANDURAND: I now move the adoption of section 3 which we allowed to stand.

Section 3 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, as amended, and passed.

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

THE SENATE

Tuesday, July 15, 1924.

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

Prayers and routine proceedings.

INDIAN BILL

FIRST READING

Bill 172, an Act to amend the Indian Act.—Hon. Mr. Dandurand.

FEEDING STUFFS BILL

FIRST READING

Bill 238, an Act to amend the Feeding Stuffs Act.—Hon. Mr. Dandurand.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill W6, an Act for the Relief of Elgin Caughey.—Hon. Mr. Green.

Bill X6, an Act for the Relief of Alma Ducharme Mullins.—Hon. Mr. Green.

CANADIAN NATIONAL RAILWAYS AND EASTERN NOVA SCOTIA

INQUIRY AND DISCUSSION

Hon. J. S. McLENNAN rose in accordance with the following notice:

That he will call the attention of the Senate to the inadequate accommodation furnished to the trade of Eastern Nova Scotia and Newfoundland by the Canadian National Railways and inquire if it is the intention of the Government to provide adequate accommodation.

He said: Honourable gentlemen, at this stage of the Session, when momentous decisions are being rapidly made, I would not call the attention of the House to the matter contained in this notice if I did not feel that it had more than local significance.

Let me begin by calling attention to the fact that the volume of business concerned is not trifling. The total population of Nova Scotia is some 523,000, over a quarter of which is in the island of Cape Breton. To give some idea of the relative importance of this eastern portion, I may say that in the Province of Nova Scotia there are fourteen towns and cities each having a population of 4,000 or more, five of which are within 15 miles of the Sydney court house, the other nine being scattered from Sydney to Yarmouth, and up as far as Amherst. Therefore, in this eastern section you have a population more thickly concentrated, I think, than that in any other part of the Maritime Provinces. You have a population which is enormously productive, and which is consequently a heavy consumer. You will see that demonstrated in a variety of ways. In that district, within a 15-mile radius, there are twenty telegraph offices; all the great banks are represented; and last season over 1,200 sea-going vessels went out from the harbour of Sydney. As the greater portion of the traffic is given by the production of the mines and the steel works, it is concentrated in their vicinity on the south side of Sydney harbour; so there is a greater consuming population immediately about and in Sydney than there is on the other side of the harbour, which, nevertheless, has been a busy and constructive one.

In Sydney there are five wholesale groceries; three wholesale fruit dealers: five packing houses, the names of which are familiar to all of you—the Canadian Packers, Davies, Dunns, Swift's, and Harris's—all of which are of the first importance. I understand that east of Montreal there is no other place which has as many packing houses as Sydney.

Hon. Mr. DANIEL: Packing houses or warehouses?

Hon. Mr. McLENNAN: Warehouses or refrigerator plants—the storehouses from which deliveries of fresh meats are made.

Apart from the British Empire Steel Company, there is a very considerable production by the Dominion Tar and Chemical Company and various other manufacturing plants. But what especially concerns this House, which is representative of the whole of Canada, is the fact that practically all these enterprises bring traffic to the Canadian National Rail-

ways. Montreal is 1,000 miles from Sydney, St. John is about 500 miles, and Halifax about 300 miles; and practically everything that is consumed in the district is carried in by the Canadian National Railways. What is brought in by boat is the merest trifle. Therefore, being shareholders in the Canadian National Railways, as we have been so often reminded, it is of vast importance to us that this trade should be promoted and developed.

It may strike some who hear me that this is exclusively a local business; but a very important point to remember is that the population of Eastern Nova Scotia is not the only population which depends very largely upon the facilities offered. Ninety miles beyond Sydney harbour lies Newfoundland. The most remunerative part of the imports of Newfoundland comes from Sydney and is distributed from Port au Basques by rail as far as St. Johns. Newfoundland has a population of 260,000, or about half that of Nova Scotia. The purchasing power of Newfoundland undoubtedly depends enormously upon her fisheries, and unfortunately they have been bad for a certain term of years. But in the three hundred years or so that Newfoundland has been a colony of Britain, it has seen other bad years in the fishing industry; but, just as surely as there have been bad years in the past, good seasons have followed, and will continue to follow in the future.

I think every honourable gentleman in this House will agree with me that Canada should make every effort to promote and increase trade with a neighbouring British colony, and to bind closer our relations with that colony, regardless of whether a political union is ever consumated. The value of the fish products of Newfoundland last year, which was the worst season the industry has had for a long time, the catch being less than half of that of the year before, was $12,000,000. But I would like to call attention to the fact that the exports of the pulp and paper industry amounted in 1923 to $5,400,000, or nearly half of the staple industry of Newfoundland and the only one which people are disposed to associate with Newfoundland, namely, fishing. All that export of the paper and pulp mills on the east coast, which I believe are owned by the Harmsworths, is used in supplying their great chain of papers. There is being built on the west coast within 150 miles of Sydney a new industry, the promoters of which plan to spend several million pounds. In a short time that industry ought to double that traffic, and ought to bring more business to Sydney harbour, and therefore to the Canadian National Railways; for the more expensive goods, those on which freight rates are highest, would naturally go by rail rather than by water.

As to the relative importance of what Canada is doing in relation to the business of Newfoundland, let me read to you certain figures. The imports of Newfoundland from Canada in the year 1920 were $18,000,000—I am giving round figures—and from the United States $15,000,000. In 1921 they were $14,000,000 from Canada and $9,000,000 from the United States. In 1922 they were $9,000,000 from Canada as against $6,000,000. In 1923, Canada sent into Newfoundland over $8,000,000, while the United States just turned the corner with $7,000,000. In other words, even in a declining market Canada had the superior position in regard to business with Newfoundland, as compared with the United States, and Canada has maintained that position remarkably well. It seems to me, therefore, to be a market that is will worth developing so far as we possibly can develop it, by giving facilities to make remunerative the business of our railway.

The most of this high-class freight goes through North Sydney, from docks which are constricted in area and can be increased only with difficulty, and which are only available for the one steamer which makes the round trip, leaving every second night.

How great is the general volume from Eastern Nova Scotia, for the Sydneys and neighbourhood and Newfoundland, is shown by the statement we had from Colonel Cantley, speaking, as we gathered, from knowledge which he had gained as a director of the Canadian National Railways. At all events, he referred to figures of the traffic as it was when he occupied that position He said that 8,000 cars a month went down to those terminals at Sydney. That meant 8,000 cars of goods that were profitable enough to stand so long a rail carriage, because the origin of those goods was many miles from the terminii, which shows how important is this matter. There is also local business developing. I spoke of the number of wholesome houses there. I understand that the wholesale jobbers of Sydney have a turnover of $18,000,000 a year, and there is also a business which may be done with the French island of St. Pierre, which is but a short distance from Sydney, the nearest point to St. Pierre of any on our coast.

I have a letter which was written to the Sydney Board of Trade by people who have developed a gypsum industry on the Bras d'Or Lakes, within 45 miles of Sydney. They began manufacturing plaster in October, 1922, and this letter was written last month. They are dependent on the good will and kindliness

of the British Empire Steel Corporation for the facilities as far as shipping is concerned. I am bound to say that that good will has been entirely adequate, and the facilities the corporation have for their steel and coal business they allow other people to use; but that causes extra expense to this Company, which has to pays extra transfer charges, that is, for switching, etc.; and I do not think the British Empire Corporation charges any wharfage. In their letter they say:

> We shipped to the New Zealand market last season via Sydney upwards of 1,000 barrels of plaster monthly and our New Zealand representatives inform us that they expect to at least double this business this year.

They have prospects of business with various people in Japan, New York, South Africa, Newfoundland and other points. If they could make proper shipping arrangements they have capacity for very large business with the United States, but they have to provide large vessels in order to do such a business as that at all profitably. The Bras d'Or Lakes, where their works are situated, has an entrance of only 21 feet of water, which is not enough to carry in the class of vessels which would most profitably carry that kind of freight to the United States or elsewhere. They have therefore sent them to Sydney.

These people are not asking the Government to build railways or to give accommodation which they ought to provide for themselves. In their own plant at the Bras d'Or Lakes they have built a wharf which will accommodate vessels of the largest class which can get into those lakes at all, namely, 21 feet draft.

There is a business which might be developed, and I call your attention to its being an international business.

What I want specially to call attention to is the fact that notwithstanding this large volume of trade, which actually exists now, and which is being hampered, the National Railways have no wharf at Sydney. It has only a blind end, and nothing could be shipped directly that comes in bulk to Sydney at any wharf controlled by the Canadian National Railways. Goods can be shipped only through the courtesy and good will of the British Empire Steel Corporation, which allow shipments from Iona and elsewhere farther west. I have seen thoroughbred stock going to New Zealand and automobiles shipped there which had been carried by rail from Ontario to Sydney and then shipped over the piers of the British Empire Steel Corporation, instead of the railroad having available trackage and docks of its own.

May I take a few moments to tell what some of these enterprises, or the men at their heads hold about this business? The Harris Abattoir Company say:

> We ship large quantities of fresh meat to Newfoundland, and we are not satisfied as to the way it is handled.

Their cold storage warehouses are in connection with the railroad, and the only way they can get them to Newfoundland is to truck them to the ferry boat, which takes them to North Sydney, where they have again to be trucked to the Newfoundland steamer, with the bad handling and exposure to the sun, etc., of which some of them speak. The letter goes on:

> We feel quite sure that there are enough products shipped by the wholesalers here to warrant this boat coming to Sydney.

The Swift Canadian Company say:

> Our business at Sydney is the largest done by our firm east of Montreal, and is increasing each year with Nowfoundland. With proper transportation facilities at Sydney our tonnage would increase more rapidly, as we feel we are only getting started.

The Canadian Packing Company practically say the same thing—that the extra expense and difficulty, the deterioration in the quality of their goods through these handlings and exposures handicaps the expansion of their business.

Gunns, Limited, speak in exactly the same way.

The William Davies Company say:

> None of the packing house products can retain their quality after being exposed to the prevailing temperature, especially in the warmer season, and it is for this reason that several large buyers of our lines in Newfoundland will not give us an opportunity to compete for their business.

Smith & Proctor, Limited, butter and cheese people, say:

> The existing conditions are deplorable, and, unless some change for the better is made, we in Sydney cannot hope for the natural expansion of business which we have a right to expect. Personally, if we had our proper shipping facilities, we are of the opinion that our business with Newfoundland and St. Pierre could be increased many fold.

Other wholesale fruit people speak of the new developments in Newfoundland. One writes:

> But we have always been handicapped by lack of proper shipping facilities, it being necessary under present conditions to send goods via North Sydney at a large extra expense. Also we have many complaints from customers with reference to goods being damaged, caused largely by the fact that they have to be handled so many times between here and North Sydney. We are of the opinion that our business with Newfoundland could be largely increased if proper shipping facilities were available at Sydney, and we hope, etc.

Mason & Dean, Limited, say that they are losing ground in business. They are whole-

sale fruit people, and depend upon fruit coming in in refrigerator cars over the National railways to Sydney. They think this business could be developed under better conditions than if shipped by boat from Boston, New York, or other points. They were doing well in that trade. They say:

> At one time we had a very nice business with Newfoundland, but were forced to give it up, as we found that it could not be done on a basis which would allow us a reasonable margin of profit, and also allow us to compete with other ports which are favoured with better shipping facilities.

Speaking of the railroad facilities, another firm says:

> If they were to take into consideration the fact that the wholesale business has developed to the point it has here during the past 15 or 20 years, with no outside encouragement and in the face of severe competition from old jobbing centers like Halifax, St. John, and Montreal, with cheap water freights assisted by Government subsidies they would simply have to admit that with terminal facilities giving us the opportunity to place one or more boats in the Newfoundland trade and enable the Newfoundland boat to call here, our business must increase to a large extent.

They are not asking for Government boats, but simply for better facilities.

Another firm, Wood & McConnell, wholesale grocers, speak in exactly the same way:

> Foodstuffs, in which we deal, are now shipped to Newfoundland by direct steamers from England, and from the ports of New York and Boston, and, besides our interest in securing a portion of the business on a profitable basis, there is the direct return to the Government of the freight on these goods, as all goods shipped from the port of Sydney must first be transported here by National Government lines.

Shaw and Mason, a firm of foundrymen and metal merchants, say that they have extraordinary difficulty, and are handicapped in the amount of breakage even before their goods get out into the ocean.

Now, what these people want is a wharf. Small amounts have been voted from time to time, but I am perfectly certain that half a million dollars would give them all the accommodation they need, and increase the business with Newfoundland and the east, and would be a profitable investment for the National Railways. I am making no complaint against the present Management of the National Railways, because none of their predecessors have grasped the situation any better than they have, up to the present. I trust that the honourable leader of the House will draw the attention of his colleagues to this necessity. One might take these remarks as a somewhat long text. I would like to preach a sermon on it, with the feeling that the Management of the National Railways has done a great deal to develop the traffic on that railway, and as far as I can see to inspire their people with a sound morale, with a feeling that they are serving a corporation which is worthy of their best efforts. When I consider the difficulties which they have had to deal in the comparative short length of time they have had to handle extremely intricate and complicated problems, I am disposed to deal gently with any mistakes which on a prima facie showing even the warmest of their admirers might admit they have made.

One of the great difficulties with which the railway management had to deal was the fact that the railroad which they have had to operate, and on which they have desired and have succeeded in improving the traffic, was one which it would be more or less ridiculous to describe as a system. Various railways were built and brought together from haphazard motives; and if one was inclined to be pessimistic and severe, he might describe the system as a thing of shreds and patches. Mackenzie and Mann built certain railroads; the Grand Trunk Pacific was another scheme; other things were tacked on; and the great thing that handicapped that road seems to me to have been that never yet, so far as the public knows, have the Management taken a broad general view of the whole situation and said, "How can we unify, coordinate, and make more profitable these railways with which we have had to deal?" I think the position is absolutely incontrovertible that if, outside of the Canadian Pacific railway, there was a blank slate or paper on which to draw, many fewer miles of railroad would have given more accomodation to the people of Canada than the railroads which we already have.

One of the obvious ways of improving the traffic of that road is to develop and facilitate traffic which already exists, as it does in the districts to which I have referred. Colonel Cantley told the Committee that on some 80 miles of the road from the Straits of Canso to New Glasgow, it was costing $60,000 a month more than its pro rata income. I quote Colonel Cantley without the slighest doubt of his good faith or his opportunities of knowing the facts which he stated to the Committee; but it seems quite extraordinary that he could give the earnings of a section —of the through business carried over that section,—while it is impossible for an honourable member of this House to ascertain how much money was being earned by the railway on the Island of Vancouver.

I think that it would create confidence in the Railway System to let the country know what is its general policy, in all its important

and various aspects; because, while I recognize, as everybody must recognize, the very great difficulties of Canada in regard to expenditures, yet I believe, from what I have observed year after year since I have taken any interest in public matters, that if the people of Canada have confidence in the ability, integrity, clear-headedness, and earnestness of the persons who are doing things for them, they are very hard to frighten. There has never been a five-year period in the last half century when Canada was not facing difficulties. Some of them she faced cheerfully and did what was requisite willingly and easily. There were other times when, as it seemed, she took the necessary steps with difficulty, because she was already overburdened. The nearer the railway gets to making a convincing statement of its case—of what it needs to do, and what it can do when the proper time comes and when it has the necessary means, the more will the people of Canada be convinced of the ability and energy of the Management, and the easier it will be for the Railway to obtain the money, because the people of Canada will be more willing to give it.

I will end as I began, with the statement that this matter is not a purely local affair. There is, first of all, the local developments. The more easily freight can be carried the lower will be the deficits, and the better it will be for the people of the locality. There is also the Newfoundland business, which gives promise and which ought to be cultivated. You have in addition the general overseas trade. There is a possibility, to which attention was called last Session, and which I was pleased to urge, that a trade might be developed by way of the Panama Canal with British Columbia. Nails, wire, rails and other things are going into British Columbia from the Old Country and from the United States, and there ought to be a chance of such articles being sent from Sydney, where they are made. We heard the other day about the difficulties of the Canadian manufacturers of boots and shoes on account of the freight being 5 cents, or five pence, or something like that, from England to British Columbia by the Panama Canal, and vastly more by rail from eastern Canada. If we had steamers calling at Sydney, and had docks there, and if the steamers could be loaded in Montreal, part of that trade ought to be given to our manufacturers in Quebec and Montreal; that is to say, if distance has anything to do with the rate of freight. Sometimes it is quite difficult to find the relation between distance and freight rates, particularly ocean rates, but this is certain: the remedy of this is not doing away with British preference: it is giving our eastern manufacturers transportation facilities by which they can reach our Western consumers; and bring by the cheapest route our Western products to the consumers of the East.

There are other possibilities. There is one as to which, I am sure, the honourable Senator from Westmorland (Hon. Mr. Black) will bear me out, as he dwells in the midst of the finest natural pastures, I suppose, in the whole world, namely, the marshes about the Bay of Fundy. With proper facilities there is an opportunity to send cattle from the West, or a shorter distance, to bring them on to those marshes, where they would feed, and ship them to England to the greatest advantage. The distance is about 350 miles to Sydney—not a long run. They would go on board the ship in a cool climate, avoiding the long rail journey and the voyage, which is often hot and deteriorating, down the St. Lawrence river. They would land in the Old Country in say six days from Sydney, and go to the markets in the best possible condition.

There is no need to make imagining of trade possibilities, or to go beyond the firm ground of fact. I trust I have laid enough facts before you to enlist the sympathy of the honourable leader of the House. I am sure that the treatment which he will give to this matter will be courteous, and I trust that he will verify what I have said and will bring it before his colleagues, and bring pressure to bear on the Management of the National Railways so that the System of 30,000 miles will not end on the oceans, with no facilities to ship away commodities which are waiting to increase the traffic of the railway, and give full scope to the energies and capacity of a courageous and enterprising community, which cannot prosper without bringing prosperity to our National Railways.

Hon. Mr. DANDURAND: I am sure that all the members of the Senate will agree that thanks are due to the honourable gentleman for having brought this interesting matter before the House. He asks me to bring pressure to bear upon the Government in order that the situation may be improved. I will do better than to bring my own views to the attention of my colleagues: I will bring my honourable friend's splendid plea in favour of better accommodation at Sydney to the attention of the President of the Canadian National Railways. I will transmit to him a copy of the honourable gentleman's remarks, with the request that he will kindly give his most

serious attention to the matter which has been so ably presented to us this afternoon.

INDISPOSED SENATORS

EXPRESSIONS OF SYMPATHY

On the Orders of the Day:

Hon. Mr. ROCHE: Honourable gentlemen. I would like to call attention to a subject that is of interest to myself and, I am convinced, of interest to every honourable member here present. On several occasions, when some of our members have died, eulogies have been passed by the honourable leader of the Government and the honourable leader of the Opposition upon the characters of the deceased members and the services they had rendered while they were among us. I think that this custom, an admirable and touching one, might be improved by the Senate transmitting to honourable members who are alive, but are disabled through sickness and are perhaps suffering, an expression of our sympathy with them in their affliction and some words of cheer which may help in turning them from sickness and suffering to abounding life again.

This is an unique occasion. I do not know that it has ever been parallelled. There are three honourable members of the Senate disabled and suffering severe afflictions. There are the Ex-Speaker of the Senate (Hon. Mr. Bolduc), the honourable leader of one of the parties in the House (Hon. Mr. Turriff), and the honourable Senator from Sussex, New Brunswick (Hon. Mr. Fowler). They are removed from us, and I think that a word of sympathy and cheer, coming from the Senate at this time, might help towards their recovery, or at any rate encourage them in their affliction, pain and sorrow.

Therefore I would like to hear from the honourable leader of the House and the honourable leader of the Opposition on this subject, and, if this meets with the approval of the House, I would move that His Honour the Speaker be directed to instruct the Clerk of the House to transmit a letter to each of the honourable gentlemen whom I have named, conveying to them the sympathy of the Senate, our earnest wish for their speedy recovery, and our hope that they may be with us at the next Session to take part in our deliberations and activities.

Hon. Mr. DANDURAND: Honourable gentlemen, I heartily join in the expressions which have fallen from the lips of the honourable gentleman from Halifax. I desire only to add that it has been a subject of considerable regret on my part that I have been unable to reach the three eminent members of the Senate who have been struck down, and to express to them personally my sympathy. I tried to see the ex-Speaker of the Senate before his departure. He was too ill to receive visitors. However, with my honourable friend opposite (Hon. Sir James Lougheed), we did our best to arrange for him to travel home from the capital in comfort. I express to him, to the honourable gentleman from Assiniboia (Hon. Mr. Turriff), and the honourable gentleman from Kings and Albert (Hon. Mr. Fowler) my most sincere sympathy and my fervent hope that they will return to continue their activities amongst us.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I join in the very fitting expressions which have fallen from the lips of my honourable friend from Halifax and the honourable leader of the Government as to our colleagues who for some time past have been the victims of serious illness. It is a matter of satisfaction to know that not only have they the sympathy of their colleagues in this Chamber, but that honourable members have made frequent inquiries as to their progress towards recovery.

I took occasion a few days ago to communicate with our colleague the ex-Speaker of the Senate, telling him that not only had he the deep sympathy of all his colleagues in this Chamber, but that many inquiries were being made as to his progress. I have been very much pleased to receive from him a letter stating that he appreciated those inquiries and expressions of sympathy, and was very hopeful that ere long he might be with us again. It was very gratifying to find such sanguine expressions coming from one who was so very close to the portals as our honourable friend the ex-Speaker.

Unfortunately, our honourable friend from Kings and Albert (Hon. Mr. Fowler) has been, I understand, in a more or less comatose state for some time, and, while many of his friends have called at his residence to make solicitous inquiry as to his condition, it has been, I fancy, impossible to communicate to him their messages of anxiety and solicitude.

I am sure we all sympathize with any of our colleagues who, from time to time, suffer from impairment of health and the advancement of age. I assure the honourable gentleman from Halifax, on behalf of those of us who are in closest intimacy with our friends on this side of the House whose health is now impaired, that his very kind and thoughtful expressions are much appreciated.

The motion of Hon. Mr. Roche was agreed to.

THE BRITISH PREFERENCE.

MOTION AND DISCUSSION

The Senate resumed from July 10 consideration of the motion of Hon. Mr. David:

Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

Hon. C. P. BEAUBIEN: Honourable gentlemen, this is not at all, in my opinion, an academic question. If it were, I am frank to say that I would not request from you a measure of Christain indulgence whilst I inflicted upon you the remarks that I have to offer. It is in my opinion a practical and pressing matter, which has been submitted to this House with a great deal of clarity, and, may I add, a great deal of courage, by the honourable member from Mille Iles (Hon. Mr. David). The honourable gentleman has for many years given us a splendid example, even at his age, of industry and moral courage, and I seize this opportunity to express to him my deep appreciation for what he has done and my great admiration for the way in which he has done it.

The argument made by the honourable member for Mille Iles was fortified by our honourable colleague from Stadacona (Hon. Mr. Webster) in a businesslike way. The figures which he has presented are well nigh unanswerable. I should have thought that there was no escape from the conclusions of the motion. But then the right honourable junior member for Ottawa (Right Hon. Sir George E. Foster) came in, and with his usual skill has given the question a different aspect. In his personal picturesque way he has called us into a medical consultation upon the poor, prostrate body politic of this country. Having himself examined the patient, he has concluded that the remedy suggested is a drastic one, which would be imprudent and at all events insufficient.

I desire briefly to examine the merits of the right honourable gentleman's findings. The question is whether or not an operation shall be performed. Will we, or will we not, dispense with the British preference? I am ready to admit that, as operations go, this is a major one. But my right honourable friend stretches out his hand and says to this House: "Pause! You may know how to cut, but will you know how to sew up? If you cut off the British preference, you do a grave injustice to Great Britain, because of necessity she must slide down in our whole tariff, and only stop at the highest rates, which we impose on countries to whom we have absolutely no concessions to repay.

Well, honourable gentlemen, if this is anything but a test of the opinion of the Senate, my honourable friend is quite right. If, instead of giving an opinion—after a medical consultation, as he has said himself—as to the advisability of applying the knife, we must go beyond and sew as well as cut, of course he may be right. But is it possible? Where is the law? Is there anything before us indicating that the Senate by answering this query of the honourable gentleman, will do anything but express an opinion? And beyond that, is there anything to prove that this country and the Parliament of this country, which has waited impatiently for twenty-seven years, granting very valuable concessions in the tariff all along from A to Z, would ignor altogether what we owe to England from many points of view, and would treat her in a worse fashion than we would the smallest and most remote country? I cannot admit that, honourable gentlemen. Everyone knows perfectly well that if there were now before us a Bill to repeal the preference, there would be without any doubt a Bill alongside of it under which England would be treated at least as well as the most preferred nation. Therefore I come to the conclusion that there is no very grave danger in this respect, especially at the present time, with the Government now directing the affairs of the country, and to which I will refer in a moment.

The second point is this: will the remedy be sufficient? My honourable friend has enumerated a great many ills from which this country is suffering at the present time. He is right. We are suffering greatly from a great many different causes. But, honourable gentlemen, we are here to consider external trade, and to suggest a remedy if such a remedy exists. The honourable gentleman says that a great many other countries have advantages on this market which they should not have; he says, practically, that our clientele has been lavishly thrown away without any return. In that I fully agree with him. Why, honourable gentlemen, for months the representatives of this Government negotiated with France to make a Treaty, and the representatives of both countries bargained as hard as they knew how over every concession given. After three months of bartering there was placed before this House what was considered to be the very best bargain that could be driven for this country. Let that be granted. But what happened afterwards? What did we see last year? We saw that very Government taking this Treaty and extending it to other nations without any bar-

gain—simply by saying to another country: "There are the concessions which have been given to France; give us your best concessions, whatever they may be." We have never known what they were.

I do not want to weary the House on this point. Let us come to the Treaty with France, because I believe my honourable friend has addressed himself more particularly to that Treaty, and let us see whether it is true that Canada is suffering in her foreign trade by reason of the concessions granted to France. A few figures, I think, will disprove that. Since the war we have imported from France $74,916,000 worth. How much do you think we have exported? We have exported $225,844,000 worth. But I will go beyond that. I know my honourable friend will say: "Yes, but that was the aftermath of the war." Take the figures for six years, honourable gentlemen, and you will find that in every year except one the balance of trade has been in our favour, and in that one year there was an adverse difference of only $5,000,000. But there is more. Let us take 1921 and 1922. In 1921 France exported to us a little over $15,000,000 of goods. How much of that do you think came in under the preferential clauses of the Treaty? Out of $15,000,000, $13,000,000 came under the general tariff, and $2,730,000 came under these special clauses. In the year 1922, out of $12,000,000, $7,600,000 came in under the higher rates, the general tariff, and less than $4,500,000 came under the preference granted to France.

But, honourable gentlemen, there is still more than that. Let us go to the root of the trouble. We have two industries that are suffering particularly from the British preference—the woolen industry and the shoe industry. Let us take the woolen industry, and run through its products, and see what is imported from the whole world on the one hand, and what is imported from Great Britain on the other. I take these figures of imports of finished goods from all countries and from Great Britain under the title "wool and its products," when shown in quantity for the fiscal year 1923-24:

	All other countries	Gt. Britain
Yarns, lbs.	3,283,610	3,065,445
Felt cloth, yds.	12,597	1,424
Flannel, yds.	1,443,297	1,411,499
Lustres, yds.	2,120,139	2,115,383
Overcoatings, yds.	290,009	285,249
Tweeds, yds.	4,315,435	4,269,602
W. & C. dress goods, square yds.	5,788,875	4,444,700
Blankets, pairs	159,045	146,598
Worsted and serges	7,522,959	6,710,684
Socks & stockings doz. pairs	640,880	631,478

But what do we import from Great Britain as compared with what we import from all the other countries to which we have given preference? The answer is: for the last year, 1923-24, from Great Britain, $153,613,000; and from France, Switzerland and Italy all put together, $26,473,000. Therefore, honourable gentlemen, I think I can safely contend that if it is true that Canada is not suffering exclusively from British preference, it is suffering principally from that disease. How could it be otherwise? Why, honourable gentlemen, here we are with our country surrounded by a wall of protection; here and there a breach has been made by a quid pro quo with other nations. But all along the line you have deep and wide openings through which pour the products not only of Great Britain but of other countries as well passing by way of Great Britain.

The honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) has said that may be so, but nevertheless we should not act hastily. He said: "True, Mr. Baldwin was beaten." Yes, after waiting for twenty-seven years, a man at last had the courage to go to his country and say: "We want to reciprocate what the Dominions have done for us." That man had a great and powerful party, and he went courageously into the election, bravely carrying his colours. What happened to him, and what is left of his great party? Everyone knows that party went down to defeat. But that was not all. Mr. Baldwin was severely criticised by his best friends. The verdict was unanimous, that he had ruined his party and perhaps delayed the cause for which he was fighting for a quarter of a century. But let that pass.

Certain small concessions were given to us by Mr. McKenna. What happened to them? They were repealed. It was contended in England that they were useful not only to Canada, but to British manufacturers. They were swept aside, and it was claimed that when these advantages were granted, they were granted exclusively by reason of the war and should disappear with the war. But my honourable friend says there is a ray of hope, and it is to that ray of hope that I want to draw your attention. Recently the four first resolutions adopted by the Imperial Conference of last year, looking

towards reciprocal treatment between Great Britain and the Dominions—four innocuous resolutions, I may say—were submitted to the House of Commons in Great Britain. Now I crave a few minutes of your attention. Unless we look for it, we do not know what the temper of the English people is, and likewise they do not know what our troubles and sentiments are. Looking at the situation, I was struck with the distance that separates both people and the ignorance resulting thereby.

Now, honourable gentlemen, the resolution submitted to the House by Sir P. Lloyd-Greame did not require the creation of duties for the purpose of giving an advantage to Canada and the other Dominions. Oh, no, not at all. There were duties existing in Great Britain on certain commodities, and the purpose was, honourable gentlemen, to reduce these duties slightly in favour of the Dominions. In this case the resolution read as follows:

> That this House, having taken into consideration the proposals with respect to tariff preference for Empire goods which His Majesty's late Government intimated at the Imperial Economic Conference in 1923 that they intended to submit to Parliament, is of opinion that the following dried fruits now subject to duty, that is to say, figs, raisins, plums and currants, should, if of Empire origin, be free from all import duties on importation in Great Britain.

That was the most innocent resolution possible. A small duty protected the home market against the importation of these fruits, many of which were not produced in England at all. As they were purchased in the British Isles from the outside anyway, why not by preference from the Dominions? True, the majority against the resolution was small, but it is illuminating to ascertain why it was no larger.

May I quote short extracts from the speech of Sir P. Lloyd-Greame, who moved the adoption of the resolutions:

> No manufacturer who traded within the Empire had ever dreamed of denying the enormous importance and value which preference gave to them. On the contrary, they had endorsed it. In 1922 alone the actual rebates of duty granted to our manufacturers within the Empire came to as much as £11,250,000. The steady rise of our imports into the countries that gave us this preference proved its value, and there was not an industry which did not to-day endorse its importance.
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> The Dominions, as had been frequently said, were to-day the only markets in the world in which we could hope by arrangement to obtain privileges which we could not hope to get in other markets. We needed markets to-day more than we needed anything. (Unionist cheers.) Markets were essential, just as space was essential for us in which we might place a population which had outgrown the capacity of the country to deal with. It was for all those reasons that they on that side of the House were driven to the conviction that preference in some form or other was absolutely essential for the well-being not only of the trade but of the people of our country. (Unionist cheers.)
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> If the House refused to pass any of the resolutions, do not let it be thought that whatever action the Dominions might take would be due to pique; it was far too serious for any feeling of that kind to enter into our or their heads, but our problems and their problems would remain. Economic pressure must inevitably drive them into other arrangements if they could not make arrangements with us.
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> He had thrown out these suggestions because he could not believe that the country meant to do nothing. They did not realize the gravity of the situation. If these resolutions as a whole were defeated, they would have gravely imperilled the future of the whole Empire. (Ministerial cries of "No" and "Nonsense.") When he said that he meant that the Dominions would believe, and they could believe nothing else, that that House had deliberately come to the conclusion that, speaking on behalf of the country, they would have nothing more to do with preference, that they did not care for preference, and, therefore, the Dominions would reluctantly seek elsewhere for what we would not give them. There was no country in the world that would not jump at the opportunity. (Cheers.)
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> The vast trade that was done to-day between the Dominions and this country seemed natural. It had always been the case that the Dominions and ourselves had done a great amount of business together, but there was no reason why that should always be the case, and if such arrangements as he had indicated were made with other countries we should very quickly see a difference in the volume of trade between the Dominions and this country. That was the grave risk of the future, because the diversion of any of that volume of trade would tell not only directly on the industries of this country, but it would tell on our shipping too. If the House would only pass the first four of these resolutions the impression of which he had spoken could not be created in the same way. It would show that although there were many in the House who clung so closely to the old free trade idea that they would not even make the slight changes recommended in the last of the resolutions, yet amongst the House as a whole there was the desire to do what could be done. Even the passage of the first four resolutions would keep the whole question alive and make the Dominions realize that the House without distinction of party was willing, so far as it could, to make arrangements. He hoped that if it were impossible that night to secure all the resolutions these first four at least might be passed. He begged the House to hesitate before it made up its mind to send a message round the world that this path which was opening so full of hope before all the younger nations had been blocked for good by the Mother Country. (Cheers.)

I will not quote from the earnest appeal made by Mr. Baldwin.

Let us now hear the voice of those who opposed the measure, in order to see more clearly the ray of hope alluded to by the honourable member for Ottawa.

Mr. Asquith said, in part:

> I think my right honourable friend very much underestimates—I will not say perverts—the verdict given by the country. He does not think it included the condemnation of these resolutions. It certainly did. They were allied by my right honourable friend, whether for good or bad tactical reasons it is not

for me to say, with larger and wider proposals, and they were discussed on every platform. I am not able, however, to flog myself into a state of excitement over these resolutions. There is an unreality, even of triviality, about the ostensible subject of our discussion to-day. Here we have ten resolutions. Three of them deal with dried and preserved fruit, three of them deal with apples, honey and lime-juice, one of them deals with various forms of canned fish. When I read them in all their pompous array on the Order Paper I could not help thinking of the old legend of the itinerant vendor of vegetable matter who perambulated the streets of Baghdad and shouted at the top of his voice: "In the name of the Prophet, figs!" (Laughter). Yet this is the first instalment, at any rate, of a policy which, when developed, is to tie a new series of bonds, or at any rate to apply a new pot of cement, to consolidate the unity of the Empire and to develop our Imperial resources.

My right honourable friend told us just now that the rejection of these resolutions would imperil the Empire. What a conception people must have of the stability of the Empire if they think that the rejection of those eight or nine resolutions dealing with fruits, honey, apples, and the rest will lead us into serious and lasting peril. The truth is that these resolutions are an attenuated, emasculated, anaemic and even apocryphal version of the full-blooded gospel of Imperial preference. We are told that representatives of the Dominions, at the Imperial Conference, expressed gratitude for these small mercies. I daresay they did, but they did not do so without the plainest possible intimation from Mr. Bruce, the Prime Minister of Australia, that this was not anything like the real thing for which he and his fellow preferentialists in that Dominion were contending. I say at once, speaking for myself, and, I hope, for a large number of my friends, that I shall vote against all the resolutions, because I regard them as a more or less coherent whole.

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But what he wanted to deal with was not these resolutions, which were the mere "leather and prunella," but with the far larger issue which lay behind. These resolutions were not put forward on their merits, but as a continuation and development of the policy of Imperial preference as preached by the late Mr. Joseph Chamberlain. If preference was to be adopted in this country in a really effective fashion it involved the imposition of import duties on a large proportion of our imported food and imported raw materials. Roughly speaking, three-quarters of our food and one-half of our raw material came from countries outside the Empire. (Unionist cries of "Shame.") The reason was that the Empire could not produce all that we needed. (Unionist cries of "No.") It could not be got by preference, under which, for the proposed 15 years, the cost of the necessaries of life and raw materials would be raised, and, as a consequence, our export trade would be excluded by foreign competition from the markets of the world. (Liberal cheers.) It was that argument which killed Mr. Chamberlain's proposals 20 years ago, and it would kill any attempt now to impose a system of Imperial preference. (Liberal cheers.) Nothing that had happened in the war had changed the essential facts of the situation. This country was still dependent upon external sources of supply for its food and raw material, and anything which impeded the free flow in the fullest possible measure of either one or the other would be disastrous to our trade and commerce. (Liberal cheers.)

Now, may I ask you, honourable gentlemen, to hear what Mr. MacDonald has to say? He has taken a great deal of authority in England, and will no doubt continue to wield it unless some mishap occurs to him. He said:

They have done their very best to produce four innocent-looking resolutions to enable them to challenge us to vote for them in order that we might fall into the little snares that have been laid with so much care in order to entangle our feet. But the face appearance of these four resolutions is not their real value. They must be taken with all the others, and even if taken alone they are a preliminary declaration in favour of the full programme of Imperial preferences and whoever votes for them must vote for all the others, and in the spirit of those who drafted them. From that point of view I have no difficulty at all in voting against the four innocent resolutions. It is not the first time in the history of this world that sin has come into it with an innocent face.

Let us be clear what we are talking about. My friend, Mr. Bruce, said he was in favour of Imperial preference. The mere use of those words by a man in Australia means that he is in favour of Australia giving the Mother Country a preference. That does not mean that a large section of the Australian people expect us to change our fiscal system in order to make an extension of that preference to this country possible. I do not believe for a moment that Australians or Canadians ask us to do that. The preference that Australia and Canada give to us means this—that the Australian consumer, without altering his system or abandoning his protective ideas, may say to us: "Because you are the Mother Country and because there is some relationship between us that is not between us and France and other countries, because you give us that which is outside that which is declared in clauses of commercial treaties, we will express our gratitude and our friendship in this peculiar arrangement by which we keep up our tariff walls against you effectively and lower them slightly in your favour in relation to foreign exporters who are outside the Commonwealth.

That is Imperial preference from the Australian and Canadian point of view. But what is this thing—this totally different thing called by the same name which honourable members opposite wish to impose upon us? It is not a thing that can be done, that can be recognized within our views of sound national economy. It is not a matter which can fit in with our scheme of raising revenue. It is not part and parcel, nor merely a modification of our conception of the best economic policy for this country. In order to conform to the demands of right honourable gentlemen opposite we have to re-create not only our relations with the self-governing Dominions, but our relations with every country that sends us goods or competes with us in the foreign and neutral markets.

Now let us listen to what Sir John Simon, a brilliant lawyer if not a great statesman, says:

But certain fundamental facts had to be borne in mind. In the first place, preference as it was understood in the Dominions was quite a different thing from preference as it was recommended for adoption and extension in this country. Here an immense overseas trade in manufactured goods had been developed on the fiscal system of imposing no import duties except for revenue. The position in the Dominions was entirely different. There a high tariff wall had been built up for the purpose of keeping out products that competed with native products. What was called a policy of preference in the Dominions meant the pulling down of a certain number of bricks from that high wall in favour of British imports. What was called a policy of preference in this country was the

building of a tariff wall in order that certain gaps might be made in it for the admission of Dominion commodities. Those two operations, though equally called Imperial preference, were totally distinct and different. (Hear, hear.) In the Dominions preference still implied a protected market for the benefit of Dominion products. "In Australia," said Mr. Bruce, in a speech made in this country last October, "they were a protectionist country, and they insisted that their market should be reserved, in the first place, for their own people and their own products." In this country preference implied the abandoning of a free market and the establishment of protection with Imperial modifications. Preference in the Dominions would decrease the burden of the consumer; in this country preference might have the effect of actually increasing prices. (Hear, hear.) The resolutions before the House asked them to increase some food duties now existing and to invent new duties on food not now taxed for the express purpose of drawing Imperial preference out of them. In that, Sir P. Lloyd-Greame was breaking entirely new ground, and Liberals resisted the proposal altogether. Food taxes were the most objectionable of all taxes (Liberal cheers), and nothing had given more widespread satisfaction to the country than the boldness with which the Chancellor of the Exchequer had tried to get rid of them. (Liberal cheers.) They could not have an effective system of Imperial preference without taxes on food, and to talk about preference if they did not mean to tax foodstuffs and agricultural raw materials was dodging the issue.

There is one gentleman who should be heard, and whose remarks should be pondered over somewhat, especially by my honourable friend across this House; that is Mr. Thomas, the Secretary for the Colonies. He said:

His right honourable friend, in tracing the history of the last Imperial Conference, had forgotten to tell the House that the position in which they found themselves at this moment, any disappointment or inconvenience that might have been caused, was not due to any one now on the Ministerial side of the House, but to the deliberate act of the late Unionist Government. The Colonial representatives were led to believe that these preference proposals represented the mind of the country and that the Unionist Government intended to carry them through. It was not the fault of the Labour Party that the Unionist Government sought the verdict of the country; they did not precipitate the contest or ask for it. It was stretching things too far for the Unionist party, after taking this course, to ask the House to reverse the very mandate which the people had given.

Dissenting from the view that the other parts of the Empire regarded this country as not only slighting them but giving them real offence, he quoted speeches to show what was said in the Dominions. During a debate in the Canadian Parliament a week ago, Mr. Lapointe, the Minister for Justice, said that "Canada was giving Great Britain a preference in her market of her own free will, but mainly because it suited Canada to do so." He went on to add. "that fiscal autonomy was just as necessary for Canada as political autonomy, and that every nation within the Empire must be left free to devise its own fiscal policy according to its own needs and the wishes and requirements of its own people." Mr. Graham said, "that preference was given to Great Britain out of the heart of the people of Canada, but not altogether from altruistic motives, because Canadians believed and it has turned out to be true, that giving preference to the Motherland would be mainly for the benefit of their own country." (Unionist cheers).

In Australia the late Prime Minister, Mr. Hughes, said, "If Britishers came to Australia and said to us, 'We think you ought to give a higher preference to British goods,' we should listen to them very politely, but we should not give that preference unless we were satisfied that it would be a good thing for us." Statesmen in other parts of the Empire were compelled, as we were, to view these questions from the standpoint of the interest of their own people.

So it comes to pass, honourable gentlemen, that the sacrifices which we have made, which are undeniable, constitute in the eyes of the British statesman, or at least many of them, a policy dictated exclusively in the interest of Canada. Can we now allow that sentiment to persist in Great Britain? Is it fair to them? Is it fair to us? I am not going to repeat what has been said here and I am certainly not going to paint anew that lamentable portrait of our industrial life at the present time; yet I would like to acquaint this House with an article published in the Montreal Standard of the 12th inst.:

Population figures are disappointing—Natural Increase of all Canada during 1923, 15,000 short of exodus to United States—Last six months of 1923 "disastrous" for Canada—There must be something radically wrong with the administration of affairs.

In the calendar year 1923 the number of persons migrating from Canada to the United States and paying the head tax was 181,973, according to a statement made in the House by Hon. Arthur Meighen. The last published report of the Immigration Department at Washington gave the figures as 117,000. But Mr. Meighen, who obtained the figures from Washington, said he found the United States Immigration year ended in June. The figures supplied him by Washington officials were 181,973 for the calendar year 1923, and 200,816 for the twelve months, ending March 31, 1924.

Honourable gentlemen, is anybody here conversant with the industrial situation of this country able to deny that this terrible hemorrhage of the best blood of Canada is due to an evident insufficiency of protection? Is that not the case? When we are losing our children at the rate of 200,000 a year, it seems to me there must be something radically wrong. Any man who will take the statistics of this country and read them, not with the intention of helping his party, not even with the object of defending the position he has taken in the past, but honestly with a view to removing the cause of the trouble—that man must come to the conclusion that our industries are insufficiently protected. And if they are, what of the British preference, which cuts everywhere under our tariff in a disastrous way? And if, added to this reduction, we have the fact that the British currency has been depreciated, we must come to the conclusion that our tariff on British importations has been reduced to the extent of 40 or 50 per cent.

Now, honourable gentlemen, it is necessary, first, that our British friends should know what that preference costs Canada. Is it fair that they should remain under the impression that we have given that preference to help the trade of Canada? Is it fair, even, that we should leave Britain under the impression that we have given and maintained that preference on account of the other advantages we get from Great Britain, amongst them being the protection of the fleet? No, it is not fair; it is not just; it is not true.

Why should one part of the community pay an obligation that is due by the whole nation? For my part I acknowledge the value of the protection of the British fleet, but I deny to any honourable gentleman in this House the right to say that only the communities that live on industry in this country should pay for that. Why should not the remainder of the population pay also? Is it fair for us to allow our British friends to understand that?

Is it fair for us to abandon Mr. Baldwin, who has fought so courageously for us and Imperial trade preference, to the mercy of his opponents, disarmed by the assertions of two Canadian Ministers of the Crown? Are you prepared to allow this to pass? This is one point of my argument.

The present resolution is essential, first of all, to advise Great Britain that preference cannot and will not last unless it is reciprocated. I ask my honourable colleagues coming from industrial centres to attest whether it is not a fact that those who years ago upheld the British preference with both hands are the very same people who to-day proclaim that preference is not a matter of sympathy, but merely a question of business and, just as Englishmen protect their markets and their workingmen, so must Canadians protect their markets and their workingmen. The position which I have taken is well defined by a declaration made by the leader of the Conservative party in this country when he said:

> I have been in favour of a British preference all my life, but I want a British preference for which something is obtained. This was the purpose of the British preference as originally instituted. I can see no reason for a British preference or any other preference unless it is of benefit to the country which gives the preference. I believe in Canada standing up for her own interests in trade matters, and adopting a policy which will improve the business of this Dominion. I know of no other way to hold our own.

I unhesitatingly subscribe to the policy laid down in the above declaration. The British people must frankly be told where we stand on this matter of business. If there must be unemployment, our first endeavour must be to protect the workmen of our country; and, for my part, rather than allow Baptiste or Pat or Sandy or any other Canadian artisan to pack up and cross the line in search of work, I am quite willing to allow some Englishman to apply for a dole.

Is it not a fact that a similar spirit is daily manifested in Great Britain? Why, they tell us plainly that we Canadians consider our own interest primarily when maintaining this preference. Well, we must set them right. We must advise them that if England suffers from an excess of population, from what I might call high blood pressure, we are now suffering acutely from anemia, bled as we are by the exodus of our people who leave this country, chased across the line by the influx of foreign and more particularly of British goods.

But there is another point, and I would ask my honourable friends to give it a little attention. There is a body to whom we must make it quite clear where we stand to-day on this question. The next general election is not very far away.

Hon. Mr. BENNETT: Hear, hear. Let it come.

Hon. Mr. BEAUBIEN: It may be this coming autumn, or it may be the following autumn. But let me ask you, what is going to happen to the industries of this country if the provinces of the East, and my province in particular, stick to the West? Can you portray what will happen? We have a gentleman, not very far from here, who boasts that he holds the trumpet of Jericho and that when it blows the walls of protection will fall. Unless we can convince, not only the great mass of workingmen but also the farmers, who indirectly find a market through industry, that we must hold to the policy which has saved this country and made it what it is, that good old policy will have very little chance to survive.

Let us come now to the two resolutions. One resolution says: "We should suspend preference until such time as adequate reciprocal treatment is given to us by Great Britain." That is clear, and it will go forth all over the Dominion and across the water that the old party which has saved this country so faithfully is still committed to the same policy, "Canada first."

What does the other resolution say? It says: "We are in favour of adequate protection, for the sake of both the workingmen and industry, and also because it is the best basis on which to negotiate preferential arrangements within as well as without the Empire."

First of all, this resolution denies the abolition of British preference. Take it that we have a wall high enough to protect our market. Through commercial treaties, breaches here and there have been practised for the purpose of promoting interchange of goods with other nations. What will Baptiste in the province of Quebec think when he finds the wall not only cut open by those paying breaches, but lowered all along the line without any profit at all. Will he believe in the sincerity of the would-be protectionists in this House?

It is impossible to have a solid basis of protection without first of all abolishing the British preference, which applies all through the tariff.

For my part I am going to vote for the motion. I am sorry that the amendment was made, as it may divert the attention and sentiment of this House from a duty which we have to perform. This question is mostly above party influence. The honourable member from Mille Iles has clearly demonstrated that. The Senate is a revising body. It is honoured and respected. Let it pass a resolution stating that we have waited and waited until the children became men, and men grew old and feeble and nothing has been forthcoming; that we are suffering more than we ever did; that our industries are closing by the score and our people leaving us by hundreds of thousands; that the only thing we can do now is to protect ourselves and follow the advice so properly given by British statesmen to look after our own interests first. Therefore we must repeal the British preference until such time as adequate reciprocal treatment is extended to us.

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

CRIMINAL CODE BILL (GAMES OF CHANCE)

CONSIDERED IN COMMITTEE

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill V6, an Act to amend the Criminal Code (Evidence as to Games of Chance).

Hon. Mr. Blain in the Chair.

On section 1—certain automatic machines to be deemed means or contrivance for playing game of chance:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I explained to the House yesterday the object of this Bill. I mentioned that the Province of Alberta desired its passage for the purpose of meeting a peculiar difference that has arisen between the courts. The Courts of Appeal of Ontario and Quebec hold that section 986 makes provision for a contrivance for playing a game of chance, whereas the Alberta court holds the contrary. The design is to make the Act clearer by adding this subsection to section 986. A perusal of it will, I think, show that it is very desirable legislation. It is for the suppression of gambling, particularly on the part of young people. I therefore move the adoption of section 1.

I may add that the promoter of this Bill, who is the member for Calgary, submitted it to the Minister of Justice—so he informed me—and it received the minister's approval.

Hon. Mr. REID: I did not understand from the honourable leader whether this Bill had been submitted to the Justice Department or not.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. REID: There is one question I would like to ask about it. Section 986, which this Bill proposes to amend, reads as follows:

> In any prosecution under section two hundred and twenty-eight or under section two hundred and twenty-nine it shall be prima facie evidence that a house, room or place is a disorderly house if any constable or officer authorized to enter any house, room or place is wilfully prevented from or obstructed or delayed in entering the same, or any part thereof.

Now we come to the point—

> —and if any house, room or place is found fitted or provided with any means or contrivances for playing any game of chance or any mixed game of chance and skill, or betting or for opium smoking or inhaling, or with any device for concealing, removing or destroying such means or contrivance it shall be prima facie evidence that such house, room or place is a common gaming house, common betting house or opium joint as the means or contrivance may indicate.

I shall read carefully the provision in the Bill, and shall then explain the point I desire to raise:

> In any prosecution under section two hundred and twenty-eight any automatic machine intended to be used for vending merchandise or for any other purpose—

It might be used in a private residence, and not for vending purposes—

> —the result of one or any number of operations of which is as regards the operator a matter of chance or uncertainty, or which as a consequence of any given number of successive operations yields different results to the operators, shall be deemed to be a means or contrivance for playing a game of chance, within the meaning of subsection (1) of this section, notwithstanding that the result of some one or more or all of such operations may be known to the operator in advance.

I do not know that I object to this proposed clause, but I would like to have this point seriously considered. If a person in a private house had some little machine for his own family to play with, it might be, under this section, that if some other person happened to be in the house at the time and saw the play among the members of the family, he would consider them liable to prosecution. I would like to know if such a case would come under this clause.

Hon. Sir JAMES LOUGHEED: No; because the section makes provision that the prosecution must be under section 228. It must be under a section of the Criminal Code. There is no change in the law in that regard. Furthermore, the machine would not be operated in a private house for the purposes mentioned.

Hon. Mr. REID: I did not understand what was the law.

Hon. Sir JAMES LOUGHEED: This Bill has been submitted to the Minister of Justice, I am informed, and it would in all probability have been included in amendments to the Criminal Code introduced by the Government had there been time to deal with them all.

Hon. Mr. REID: I quite understand that this Bill can be introduced as it has been, and I have no objection to it so long as there is no doubt whatever that it does not apply to a person having some small machine in a private house. The honourable gentleman has stated that it does not.

Hon. Sir JAMES LOUGHEED: No. It refers only to a prosecution already provided for by the Code.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Sir JAMES LOUGHEED moved the third reading of the Bill.

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

INDUSTRIAL DISPUTES BILL

MESSAGE TO THE HOUSE OF COMMONS

Hon. W. B. ROSS: Honourable gentlemen, I know I am out of order, but, with the leave of the House, I should like to refer to a matter that was before the House the other day. We received a message from the House of Commons disagreeing with the Senate amendments to the Industrial Disputes Act, and it was moved that we do not insist on our amendments. We did insist, and I was asked to name a Committee to give our reasons, which I did. I would therefore move:

That a message be sent to the House of Commons to acquaint that House that the Senate doth insist upon its amendments to Bill 7, an Act to amend the Industrial Disputes Investigation Act, 1907, for the following reasons:

The amendment of the Senate must be read with the other amendments made to the Industrial Disputes Act which impose heavy penalties in certain contingencies. The employers and employees will each have a representative on the Board, and it is in accord with natural justice that the third arbitrator should be chosen as far as is legislatively possible, by a method that will guarantee an appointment free of political or economic influences. The amendment is fair and just to both parties to disputes arising under the Industrial Disputes Act.

Hon. Mr. ROBERTSON: Honourable gentlemen, I desire to register my dissent, because I cannot and do not agree with the reasons outlined in the report. This law has been in effect for seventeen years. General statements have been made, but there has never been any evidence offered, nor has there been a single specific instance quoted to this House, of any abuse in the appointment of Chairmen of Boards. I therefore hold that there has not been any evidence submitted to this House to justify such a message, or the amendment which the House has already made to the Bill. Therefore, as a member of this House, I must dissent from the reasons which it is now proposed to give in support of the action taken.

Hon. W. B. ROSS: There is no allegation in the motion of anything wrong. It says that the amendment is to guard against any such thing happening.

Hon. Mr. DANDURAND: It is needless for me to say that I do not concur in the reasons given. But, inasmuch as it is the expressed opinion of the majority that this House should refuse to withdraw the amendment, no vote can be taken on this motion; so the honourable gentleman from Welland and myself and some others stand in the minority on this point.

The motion was agreed to.

BANK BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 240, an Act to amend the Bank Act.

He said: Honourable gentlemen, last year we had a revision of the Bank Act, and material modifications were made to that piece of legislation. It was hoped that those modifications would strengthen the Act; and

I have no doubt they would have done so, but before sufficient time was given them the country was shocked by the closing of one of the chartered banks. The question was taken up anew by Parliament, and it was suggested that the modifications of last year should be further improved, if possible. So we now have a Bill which tends to increase the safety of the public in dealing with the chartered banks. To that end, clause 56A of the Act, which contained a very material improvement upon the old Act, is now repealed, and is to be replaced by the provision which is now before us. I shall read the clause of the Act of last year, which is now on the Statute Book, and which it is proposed to repeal:

56A. The Minister may direct and require any auditor appointed under the next preceding section of this Act, or any other auditor whom he may select, to examine and inquire specially into any of the affairs or business of the bank, and the auditor so appointed or selected, as the case may be, shall, at the conclusion of his examination and inquiry, report fully to the Minister the results thereof.

2. For the purposes of this section the auditor appointed or selected as aforesaid shall have all the rights and powers given to an auditor under the next preceding section.

3. For the performance of the duties imposed by this section the auditor shall be paid as remuneration, out of the Consolidated Revenue Fund, such sum as the Governor in Council may direct.

4. The person selected by the Minister under this section shall, for the purposes of section 153 of this Act, be deemed to be an auditor of the bank.

It is proposed to replace this provision by one which I will read at length, as my reading of it now may avoid the necessity of reading it when we go into Committee, and will at all events apprise the members of the Senate of the matter contained in it.

Hon. Sir JAMES LOUGHEED: We all have it before us.

Hon. Mr. DANDURAND: Then I will dispense with the reading. It provides for the appointment of an Inspector General of Banks, his tenure of office, removal, reasons for removal, officials and clerical assistance in a few words this Bill has for its object the appointment of an Inspector.

Hon. Sir JAMES LOUGHEED: And a staff.

Hon. Mr. DANDURAND: And a staff.

Hon. Sir JAMES LOUGHEED: Which will be paid for by the banks.

Hon. Mr. DANDURAND: Yes. If these explanations suffice, I will move the second reading of the Bill.

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. L'Espérance in the Chair.

On section 1—inspection:

Hon. Mr. DANDURAND: I desire to move an amendment to subsection 5 and to subsection 11 of section 1. It is to strike out the words "and voted by Parliament" at the end of both those sections. Those words were added by the Committee of the House of Commons without due regard for the whole economy of the Act.

In addition, I move to add at the beginning of clause 12, on page 3, the following words:

Provided an appropriation therefor has been made by Parliament.

It will then read:

Provided an appropriation therefor has been made by Parliament, all salaries, remuneration—

—and so forth. The effect of the words "and voted by Parliament" would be to hamper the organisation of the Department and the retention of the services of the Inspector and his staff, for which a lump sum of $50,000 has been put in the Estimates.

The motion was agreed to.

Section 1 was agreed to, as amended.

The Bill was reported, as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

BELGIAN TRADE CONVENTION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 247, an Act respecting a certain Trade Convention between His Majesty and the King of the Belgians.

He said: Honourable gentlemen, Canada has been doing quite an extensive trade with Belgium. The last figures we have indicate the total imports from Belgium to Canada to amount to $5,340,875, while our exports were $17,452,442. It has been deemed advantageous to both countries that they should extend to each other their minimum tariffs, and to that end they have signed a convention.

Hon. Sir JAMES LOUGHEED: Is it minimum, or intermediate?

Hon. Mr. DANDURAND: The Belgian Government gives its minimum tariff.

Hon. Sir JAMES LOUGHEED: And we—

Hon. Mr. DANDURAND: We give to Belgium:

Articles the produce or manufacture of Canada imported into the territory of the Economic Union of Belgium and Luxembourg and articles the produce or manufacture of the territory of the Economic Union of Belgium and Luxembourg imported into Canada shall not be subjected to other or higher duties or charges than those paid on the like articles the produce or manufacture of any other foreign country. . . .

That is, we give them the treatment of the most favoured nation in our own country, and they do likewise for us.

Nor shall any prohibition or restriction be maintained or imposed on the importation of any article the produce or manufacture of Canada into the territory of the Economic Union of Belgium and Luxembourg, or of any articles the produce or manufacture of the territory of the Economic Union of Belgium and Luxembourg into Canada which shall not equally extend to the importation of like articles being the produce or manufacture of any other foreign country. This last provision is not applicable to the sanitary and other prohibitions occasioned by the necessity of protecting the safety of persons or of cattle, or of plants useful to agriculture.

This first article covers importation into both countries, and the second article, on the same basis covers exportation.

Hon. Sir JAMES LOUGHEED: What are our chief imports from Belgium?

Hon. Mr. DANDURAND: Our imports from Belgium have been, among other articles, as follow:

Canned vegetables	$ 93,708
Beans	197,492
Florist stock	32,499
Hatters' furs	144,542
Glue powdered or sheet	17,658
Cotton fabrics, dyed	71,016
Clothing cotton, n.o.p.	33,609
Silk fabrics	61,351
Velvets other than silk	41,856
Worsted tops	25,462
Yarns	35,665
Artificial silk yarns	161,923
Furniture	13,014
Paper	86,037
Steel billets	54,049
Bar iron or steel	27,038
Iron or steel beams, etc.	50,325
Cream separators	30,473
Guns, rifles, etc.	47,304
Railway spikes	33,601
Zinc in sheets and plates	121,676
Lamps, electric	68,775
Glass, tableware	52,482
Common window glass	838,325
Plate glass not exceeding 7 sq. ft.	727,035
Plate glass exceeding 7 sq. ft.	
Plate glass not exceeding 25 sq. ft.	272,081
Plate glass n.o.p.	347,060
Plate glass bevelled	20,952
Ornamental glass	20,921
Diamonds, unset	702,911
Potash, murate of, crude	49,061
Fertilizers, n.o.p.	78,415
Zinc, white	88,199
Ammonia, nitrate of	69,610
Packages, usual coverings	14,203

Total imports, $5,340,875.

Hon. Mr. DANDURAND.

Hon. Mr. DANIEL: What about our exports to Belgium?

Hon. Mr. DANDURAND: The principal exports during the fiscal year ending 31st March, 1924, have been:

Barley, bushels 505,439	$ 335,136
Oats, bushels 585,432	355,839
Rye, bushels 159,110	104,788
Wheat, bushels 12,568,270	14,053,335
Flour of wheat, bls. 6,169	37,993
Oatmeal, cwt. 5,750	19,571
Whiskey	64,588
Oil cake	17,595
Rubber tyres	117,458
Tobacco, unmanufactured	13,735
Tobacco, stems and cuttings	4,471
Cattle over one year	236,725
Lobsters, canned	68,774
Salmon, canned	422,475
Meats	35,727
Butter, lbs. 267,183	96,730
Cheese, cwt. 6,935	136,093
Milk, condensed	48,001
Agricultural implements	267,080
Razors	13,750
Adding machines	13,764
Automobile and parts of	217,891
Aluminum	32,886
Zinc spelter	22,139
Asbestos	358,115
Coal tar and pitch	42,280

Total exports (Canadian produce), $17,452,442

Hon. Mr. DANIEL: Does this Convention give the Belgian people the advantage of the intermediate, or the general tariff?

Hon. Mr. DANDURAND: No, it gives the most-favoured-nation treatment.

Hon. Sir JAMES LOUGHEED: For foreign nations.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DANIEL: Is that the preferential tariff, or the intermediate?

Hon. Mr. DANDURAND: I would say, on the average, the intermediate; but of course Belgium gets the best tariff treatment that we give on any article that is imported into our markets from any country having the most-favoured-nation treatment.

Hon. Mr. DANIEL: I am aware of that; but what I do not understand is whether a nation that has the benefit of the most-favoured-nation treatment gets what we call the preferential tariff.

Hon. Mr. DANDURAND: Oh, no. All treaties that are made by Canada state in very plain terms that Great Britain and other parts of the Empire remain in a class by themselves; that is, the preference given to Great Britain is always below any rate of duty collected on goods coming from other countries.

Hon. Mr. DANIEL: Then it means that Belgium is given the intermediate tariff?

Hon. Mr. DANDURAND: I would say that generally it would be the average intermediate tariff; but if you take such a Treaty as was made with France, you have figures there that were even below those of the intermediate tariff.

Hon. Mr. BEAUBIEN: Does it not mean, in two words, the extension of the French tariff to Belgium?

Hon. Mr. DANDURAND: If the French tariff is the lowest of all the arrangements we have made with other countries, then it means that.

Hon. Sir JAMES LOUGHEED: The lowest tariff we have made with any foreign country?

Hon. Mr. DANDURAND: Yes.

Hon. Sir EDWARD KEMP: What advantage do we get from Belgium?

Hon. Mr. DANDURAND: We get their minimum tariff, which has been passed, and is due to come into force on or about the first of October next. My honourable friend may there see what advantage we reap. For instance, on butter their maximum tariff is 60 francs; but the minimum tariff which we would enjoy would be 20 francs. But these figures do not tell the whole story, because, while the franc is low, there is a co-efficient of increase of 2, and the multiplication by 2 would bring the maximum tariff to 120 and the minimum tariff to 40 francs. Likewise, on flour and meal of oats, per 100 kil., the maximum tariff is 12 francs and the minimum 4 francs. On wheat, maximum 10, minimum 2; on canned lobsters, maximum 60, and under this Convention we would enjoy the minimum tariff of 20 francs. On condensed milk without sugar, maximum 36, minimum 12; with sugar, maximum 90, minimum 30. On tobacco not stemmed, per 100 kil., maximum 360 francs, minimum 120; stemmed, maximum 720 francs, minimum 240. On stems, maximum 360, minimum 120. On rubber tires, in which we deal to a considerable extent solid tires, per 100 kil. the maximum would be 240 and the minimum 80.

Hon. Sir JAMES LOUGHEED: Can we compete with them in rubber in that way? I thought that Belgium had a peculiar control, almost a monopoly, of rubber products.

Hon. Mr. DANDURAND: I notice that we sold them $117,458 worth.

Hon. Sir JAMES LOUGHEED: What would be our importation of raw rubber from Belgium?

Hon. Mr. DANDURAND: I only see it in the tires which we have sold them, and there is a considerable diminution from the maximum to the minimum, which should help us to increase our sales.

Hon. Sir JAMES LOUGHEED: Does this apply to the possessions of Belgium in the Congo?

Hon. Mr. DANDURAND: Yes, I think so.

Hon. Sir JAMES LOUGHEED: I doubt that.

Hon. Mr. DANDURAND: Yes, in Article 5 I find this:

> The name "The Economic Union of Belgium and Luxembourg," wherever used in this Convention, shall be held to include the Colonies and Possessions of Belgium and also territory of which Belgium is Mandatory under the provisions of the League of Nations.

Hon. Mr. BEAUBIEN: Will my honourable friend consider the advisability of placing before us the tariff which Beligum intends to apply to Canada? This is a very large proposition. This agreement is going to last for 5 years, and we cannot denounce it unless we give a previous year's notice. We are settling in advance millions and millions of dollars' worth of business both ways for at least 5 years; probably the arrangement will continue for a great many more years.

It seems to me impossible to judge of the value of a bargain unless we have before our eyes what we receive in exchange. We receive facilities granted to us on probably hundreds of items of goods which we can export. Now, we must judge the value of those items, but we cannot judge them by a cursory reading such as my honourable friend has made. We must know what tariff is applied by Belgium to the world, and what is going to apply to Canada, in practically every one of our large items for export trade. You cannot judge of the value of a contract of that kind by reading 20 or 30 items when there are 300 or 400 items that interest us.

Hon. Mr. DANDURAND: We may take the second reading now, and I may lay on the table the imports and exports between the two countries in detail. I have here the whole statement indicating the activities of the business communities in both countries during the last twelve months, as well as what has been imported and exported. I have

given a short summary, but I have complete details of what we have exported and imported.

Hon. Mr. BEAUBIEN: That is not sufficient. The honourable gentleman lays before us the result of past operations, but they do not help us to ascertain what the new business is going to be. I ask the honourable gentleman to let us know what we are going to receive in exchange for our concessions; that is what I want to know. The effect of this Convention may be to choke our trade completely, whereas in our exportations to Belgium for years we have had a very valuable balance of trade that makes it inadvisable to have a new arrangement. I say to my honourable friend, leave well enough alone. For years we exported to Belgium about $40,000,000 worth of goods, although exceptionally, I do not think we exported last year more than about $17,000,000 worth; while we imported from Belgium about $5,000,000 worth, leaving us a balance of $12,000,000 to the good. I say, let well enough alone or show us a better condition of things.

When I ask what our advantage will be, the honourable gentleman takes a page of past history and says, "See what we have been doing." I know what we have been doing: it is a very satisfactory state of things that has existed up to this time. I go beyond that. But I foresee what answer will be given. Conditions have been running too smoothly for Canada in Belgium, and I understand the people of Belgium have now said, "If you do not come to terms with us, we are going to penalize you; if you do not give us the best conditions in your market we are going to put a super-tax over you."

Hon. Mr. DANDURAND: No; there is their tariff, which comes in force in October.

Hon. Mr. BEAUBIEN: That is the very same thing. They have a tariff which, like the French tariff, has a tremendous spread between the high tariff and the preferential tariff; and, according to the nation with which they negotiate, they give concessions between those two. Between the high and the low tariffs, for instance, they give you half. They have done that with us.

Hon. Mr. DANDURAND: But here they are giving us the whole.

Hon. Mr. BEAUBIEN: They come to us and say: "If you do not give us your best conditions, we are going to impose the highest possible tariff on you."

Hon. Mr. DANDURAND: The general tariff.

Hon. Mr. BEAUBIEN: Then I say to my honourable friend, why do you not take the trouble to negotiate with Belgium as you have done with France? It is nearly as good a market for us—$17,000,000 in one case, $19,000,000 in the other case. You negotiated for three months with France giving as little as you could, and taking as much as you could. Why do you not do that with Belgium? How is it possible to treat a matter as important as this in a standardized way—because this arrangement is nothing else. We negotiated a treaty with France that was made to measure; it fits closely to Canada; but you take it off and throw it to somebody else, in a hit-or-miss sort of way, and it may not fit at all. When we have at present such admirable results we should not disturb them.

Hon. Mr. BEIQUE: But they may disturb them.

Hon. Mr. BEAUBIEN: Then I will put this question to my honourable friend: why do you not negotiate, and demand for Canada, which has special products for our wants, special protection and special facilities?

Hon. Mr. BEIQUE: I do not take issue with the honourable gentleman against the idea of negotiating; but the honourable gentleman has repeatedly said, "Let well enough alone." But it takes two parties to let well enough alone. If Belgium is not willing to continue the present conditions of things, Canada has to take action.

Hon. Mr. BEAUBIEN: I said that a moment ago. I said the real reason for disturbing the present condition of things is that a menace has come from Belgium; I say we cannot legislate for Belgium, but we can negotiate with her.

Hon. Mr. DANDURAND: And this is the result of the negotiation.

Hon. Mr. BEAUBIEN: But I say we should negotiate with Belgium without being obliged to extend to her the whole of the advantages that we have given to France; that is what I mean. Why throw them away? Every time you throw something away you are damaging some of our industries. Have they not suffered enough? For every brick that you take off our wall of protection, you ought to get a corresponding brick taken off the wall of protection of another country. As it is , you are not doing that at all. You have made a breach in your wall that is wide enough to let France come in. Another country comes along, and you double the size of that breach, by extending it holus-bolus to that other country. Down goes a whole row

of bricks for that other country. Then a third country comes along, and down goes another whole row of bricks.

I am quite sincere with my honourable friend when I say there is another reason—the same reason that led to the increase of the British preference; the same reason that resulted in the reduction of our tariff. It is the circuitous but sure way to free trade, and though it is a disguised way, it is a very wide one, because you may reduce your tariff for practically the whole world by the method of preferential treaties. You do so wholesale without being obliged, in every item. You simply knock down your wall, and make a breach wide enough for every country to come through.

Personally I am very much opposed to this manner of dealing with such a large and weighty question as this, which interests the whole of Canada. It seems to me that if the Government has chosen to reduce our tariff for other nations, it should lay before us the details of what we are going to receive in exchange. The honourable gentleman should show us the Belgian tariff that will hereafter apply to Canada; then we can consider it for a few days. Even then we will be giving but scant consideration to such an important matter.

Hon. Mr. DAVID: I would like to say that when such important changes are made in fiscal relations with other countries, those changes should be published in the newspapers of both countries, in order that manufacturers would know what each country gets and what it gives. I was telling a manufacturer that they should have complained when the tariff was changed. "Well," he said, "how could we protest? What can we do when we have no knowledge of the Bill that is passed or of the intention to modify the law?"

Hon. Sir EDWARD KEMP: I have not myself seen any reference to this in the press, though it may have appeared. I do not know that the industries of this country are aware that the tariff is to be still further reduced at this Session by means of these treaties. Have any representations been made to the Government, from working people or from industries, with respect to imports from Belgium into Canada? I see that, according to the list which my honourable friend has read, many articles conflict.

Hon. Mr. DANDURAND: What articles has my honourable friend in mind?

Hon. Sir EDWARD KEMP: There are very many.

Hon. Sir JAMES LOUGHEED: Agricultural products of all kinds, canned vegetables, etc.

Hon. Mr. DANDURAND: My honourable friend will have the floor when we resume.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. DANDURAND: Honourable gentlemen, I ask the leave of the Senate to have Mr. Russell come to the floor. I suggest that we now adopt the second reading of this Bill and go into Committee, so that we may consider it clause by clause.

Hon. Sir JAMES LOUGHEED: That is on the understanding that the principle of the Bill may be discussed in Committee.

Hon. Mr. DANDURAND: All right.

Hon. Sir JAMES LOUGHEED: It may not be done.

The motion for the second reading 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. Smith in the Chair.

Section 1 was agreed to.

On section 2—convention approved:

Hon. Sir EDWARD KEMP: I notice that a thousand copies of this Convention have been printed by the Government. I think it would be of great advantage to honourable members to have a copy of the Convention. It would enable us to discuss it with greater facility.

Hon. Mr. DANDURAND: The honourable gentleman will find the Convention printed as a schedule in the Bill.

Hon. Mr. DAVID: We have no enumeration of the articles to be exchanged.

Hon. Mr. DANDURAND: No.

Hon. Mr. DAVID: The honourable leader read a list this afternoon.

Hon. Sir EDWARD KEMP: Do I understand that the Convention refers to practically all the items in the intermediate tariff?

Hon. Mr. DANDURAND: No. It mentions no items whatever.

Hon. Sir JAMES LOUGHEED: It is general.

Hon. Mr. DANDURAND: We are giving each other the most favoured nation treatment. Therefore this covers all our products and all that Belgium produces. When Belgium sends its goods here it does so at the minimum rate at which any country may send its goods here, under special treaty or arrangement.

Hon. Sir EDWARD KEMP: In other words, the tariff rates on which Belgian products can come into Canada may be as low as the intermediate tariff, or they may be lower?

Hon. Mr. DANDURAND: They may in certain cases be lower. A good comparison would be the arrangement with France. Wherever France obtains the right to send in goods at a lower rate than the intermediate tariff Belgium enjoys the same right.

Hon. Sir EDWARD KEMP: Honourable gentlemen, I want to draw attention to this situation. In the first place, I venture to say the United States does not grant Belgium any special privileges in her market.

Hon. Mr. DANDURAND: I am informed that since 1875 the United States and Belgium have had an arrangement similar to that which we have now signed.

Hon. Sir EDWARD KEMP: That may be so, but the United States does not make preferential arrangements with various nations. The United States has a tariff that applies to all nations alike. If nations want to trade with the United States, they are all subject to the same rates of duty. The United States has not three tariffs, as we have; nor has it most-favoured nation tariffs. We have heard the statement made—and it has been authorized by the Government—that the deathknell of protection has been sounded, so far as Canada is concerned. Reduction of the tariff has started at this Session of Parliament, and now it is proposed in this way to reduce it further. Labour in Belgium is paid from one-fifth to one-sixth of what it is in Canada.

Hon. Mr. DANDURAND: Does the honourable gentleman speak of the actual wage that labour receives, or is he including in his estimate the depreciation of the franc?

Hon. Sir EDWARD KEMP: I am stating in a general way that under ordinary conditions wages in Belgium are from one-fifth to one-sixth of what they are in Canada. If you take into consideration the depreciated currency, so much the worse for the Canadian workman. We do not know where we are on the question of depreciated currency, because our law in respect to that does not apply to Belgium, nor France, nor Italy. It applies to some other European countries.

Belgium produces a large number of products of the same class as are made in this country by Canadian workman. We have a tariff which is considered to be a low one. It is not so high as the tariff of the United States. It will average less than one-half of the United States tariff. Though it is already low, we are proceeding to open the doors—to let down the bars still further. My honourable friend who spoke so eloquently this afternoon (Hon. Mr. Beaubien) said that there were breaches in the wall. The breaches are being made more numerous and wider. There is an exodus of Canadian workman from Canada to the United States, because they cannot find employment in this country. They cannot find employment here because business is dull, and because of competition from various nations. At a time like this, when our workmen are leaving Canada and going to the United States, the Government is proceeding to make treaties of this kind, which have the effect of still further reducing the tariff and making it still more difficult for Canadians to live in this country. They are forced out of their native land because of this situation. It seems to me inopportune, particularly at a time like this, for the Government to continue making these concessions. Therefore I protest against this treaty.

I want to repeat that the United States does not make treaties of this kind. It makes a tariff, and if other nations want to trade with it they must submit to that tariff. There is no intermediate tariff, nor is there any favoured-nation treatment. It seems to me that our conditions should be just as strict in that regard as those of the United States.

It will be remembered that a few years ago an attempt was made to tie the hands of Canadians by a reciprocity treaty with the United States. We are now tying our hands by treaties with numerous European countries. We shall be handicapped in case we should in the course of a short time desire to alter our course and to pursue such a policy as would result in keeping our own people employed in this country. We are tying our hands in that way, and creating a more embarrassing condition than that which already exists. We are practically giving Belgium concessions along the whole line of our tariff on everything she produces; and I see by

another item on the Orders of the Day that we have entered into a Treaty with Finland. The very same principles exist wtih regard to that country. It is impossible for the industries of this country, particularly those on the sea coast, and adjacent to the sea coast, to compete with those of Belgium. The freight rates from Belgium to British Columbia points are probably about one-quarter of the rates from Montreal across the continent by rail. It is impossible for industries in Montreal or in the Maritime Provinces to compete in the manufacture of certain products which Belgium produces at the present time. I cannot understand why, when we have an advantage and when our exports to Belgium are so much greater than our imports from that country, this arrangement should have been entered into.

It must be remembered that Belgium takes from Canada such products as foods and raw materials. We are in competition with the United States in supplying Belgium with those products. She has to have them in the same way that we in Canada have to have raw products on which there is no duty. I have no doubt that it will be found that on some of the articles which we export to Belgium, a list of which the honourable leader of the Government read this afternoon, no duty is imposed. In any event, it is not customary to put a very heavy tax on foods and raw materials.

I only rose to draw the attention of the Senate to these few points, and I desire to repeat that I think the time is inopportune to enter into such Treaties and to open the breaches in the wall still further, thus letting in a flood of foreign-made goods in competition with those made by our own workmen in Canada.

Hon. Mr. DANDURAND: I would like to inform my honourable friend that for the last year and more Belgium has had the benefit of our intermediate tariff, and that we have had similar advantages in Belgium. We are now practically consolidating that position, which will continue until the Treaty is denounced upon twelve months' notice.

My honourable friend says that we are proceeding to lower the wall and to allow a flood of merchandise to come in from outside. He should remember that there is another side to the story. This is an exporting country. We must look afar for our markets —and farther, since he with others has taken the responsibility of closing the door of the United States to our natural products by inducing this country to reject reciprocity in 1911.

Hon. Mr. MURPHY: Order.

Hon. Mr. DANDURAND: This is a discussion that covers a wide field, but I am ready to meet my honourable friend on the question of reciprocity with the United States. In 1911 we entered into an arrangement with the United States which men in the two large political groups, the Liberals and the Conservatives had been striving for.

My honourable friend is about my age, and he should remember that when Sir John A. Macdonald brought in his resolution in the spring of 1878 in favour of higher duties, he prefaced it by a declaration that it was in order to obtain bargaining powers for negotiating with the United States for a return to those days of widespread prosperity from 1854 to 1866. After he had won the election in 1878 on that cry, when he brought down the tariff of 1879, side by side in the Statute Book stood the declaration of Parliament authorizing the Canadian Government by Order in Council to grant free entry to a list of goods, which is to be found in the Fielding tariff, whenever the United States were ready to allow the entry of similar goods from this country into the United States. That provision remained on the Statute Book from year to year until 1889.

Hon. Mr. MURPHY: Times change.

Hon. Mr. DANDURAND: So I have on my side the desire of the public men of Canada, Conservatives and Liberals, up to 1891. So that when my honourable friend says that we came near tying our hands in 1911 by the reciprocity pact with the United States, I may say that in my opinion one of the major sins of the Conservative party in Canada was the effort, the successful effort, made to defeat that reciprocity pact.

My honourable friend says that as we are proceeding to make breaches in the wall we are going towards our goal, which is the death-knell of protection. Protection has a very close relationship to the formidable burden of interest which we have to pay. "The death-knell of protection" is a form of speech. There will always be a revenue tariff—and one need not analyze it very carefully to realize that it is taxation—and it will weigh for quite a number of decades upon the shoulders of the people. The death-knell of protection will not mean the death-knell of taxation. Taxation will remain with us in all the varied forms that the inventive genius of man has been able to devise, and which my honourable friends, when sitting in the Treasury benches, did devise in order to meet the for-

midable charges which were placed upon the shoulders of the taxpayers of Canada. So the Customs duty at the frontier, the Income Tax, the Business Tax and the Sales Tax will form a considerable levy, and the manufacturers of Canada will have the incidental protection which comes from the levying of taxation by the Canadian Customs.

Hon. Mr. DAVID: Will the honourable leader tell me if in reality the duties on certain articles manufactured in Belgium are reduced?

Hon. Mr. DANDURAND: There are certain articles on which they will be reduced. For instance, plate glass, upon which we collect 25 per cent, will receive a reduction of 10 per cent, which will bring the duty down to 22½ per cent.

Hon. Mr. DAVID: Are there other manufactured products?

Hon. Mr. DANDURAND: There is no reduction there beyond the intermediate tariff which the Belgians are enjoying in Canada to-day. On plate glass, not bevelled, in sheets or plates exceeding 7 square feet each, there is no reduction under this arrangement.

Hon. Mr. DAVID: What about window glass?

Hon. Mr. DANDURAND: There is 10 per cent off 12½ per cent, which brings it to 11¼ per cent.

Hon. Mr. BEAUBIEN: Will my honourable friend tell me what the United States paid in the way of a reduction of their tariff to get the advantages from Belgium which we are going to get by paying dearly?

Hon. Mr. DANDURAND: We will get a comparatively greater reduction than we got in France.

Hon. Mr. BEAUBIEN: I understood from my honourable friend a moment ago that we got from Belgium what has been granted to the United States for a certain number of years. Perhaps I was wrong. Is that right, in the main?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: Very good. What we get from Belgium we pay dearly for. What do the United States pay to get it?

Hon. Mr. MURPHY: Nothing.

Hon. Mr. BEAUBIEN: I want to know that.

Hon. Mr. DANDURAND: I do not think this is a comparison which should actuate us. The United States negotiate with whatever they have in hand. They have a population of 110,000,000 people, and a whole continent to themselves. They can make the law. We are striving to get on an equality with the United States in foreign markets. We have succeeded fairly well in France, and we are doing a shade better in the Belgian market.

Hon. Mr. BEAUBIEN: May I tell my honourable friend that he is rather making a mistake? I do not think the Americans are making any concessions whatsoever. If I am wrong in that, I shall be surprised. Belgium has a population equal to ours.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: We should negotiate on an equal footing.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: You can hardly imagine two nations that would be on a more equal footing in every respect than Belgium and Canada: they have the same population and about the same debt. One difference is that Belgium lost fewer men in the war than we did. Under the circumstances it seems to me we ought to know what we are paying and what we are getting in return.

Hon. Mr. DANDURAND: My honourable friend said that when we were working to obtain advantages from France, we were at the same time working for Italy.

Hon. Mr. BEAUBIEN: No, I did not say that.

Hon. Mr. DANDURAND: That Italy got from Canada all the advantages that France had obtained after a hard bargain. He said that Italy had stood by and had sacrificed nothing and had come in to enjoy all the benefits of the Canadian markets that we were giving to France. Is not that one of the arguments my honourable friend made against the most-favoured-nation treatment?

Hon. Mr. BEAUBIEN: I do not want to interrupt my honourable friend, but he is making a mistake. I tried to make myself clearly understood. This is what I said. We bargained with France, and then when our bargain was closed after three months of hard work in which the bricks of the tariff walls were weighed one against the other before being exchanged, we turned to Italy and said: "Do you want those concessions? We will

throw them over to you. Give us whatever you can in exchange." That is exactly what took place.

It may sound extraordinary, but my honourable friend knows that the business of the country—the bigger business of the country—escapes the attention of the people. He knows that any bargain between two countries is made more loosely than a bargain between two individuals. That bargain came before us in the dying days of the Session, as this one is presented to us to-day, and it was palmed off purely and simply with the words: "We are giving the best we have; we are taking the best they have. Are you not satisfied? We do not know what they are giving us at all." That is exactly what is being done to-day. We are giving the best we have with a sweet smile, and are accepting the best they have to offer, and we may find that the best they have is nothing at all. Well, they say: "It is passing-strange that you should cross-examine us like that—a most extraordinary thing."

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BEAUBIEN: But I say there is one thing that nobody can deny, that present conditions are marvellous for us, and if we change them we must be extremely prudent and see clearly where we go. That is what I want.

Now, I will put the plain question again to my honourable friend: what do we get in exchange? I want to know that. Where is the Belgian tariff that is going to be extended to us holus-bolus, with 300, 400 or 500 items? We must see it, examine it, and when we have weighed it we will know what kind of bargain we are making. Until that is done it is preposterous to my mind that we should judge the bargain.

Hon. Mr. DANDURAND: I thought I had answered my honourable friend. We bargain with Belgium, or we do not. If we do not, we are under their general tariff. If we do, we have the advantage of two-thirds of their tariff: we come down to one-third; that is what we get.

Hon. Sir JAMES LOUGHEED: Have we not been doing well under the general tariff?

Hon. Mr. DANDURAND: We are not under the general tariff. I have said we have been under the intermediate tariff for over a year.

Hon. Sir JAMES LOUGHEED: We have been doing very well.

Hon. Mr. DANDURAND: Yes, and practically we are simply consolidating that condition, because that was a provisional arrangement, until we should come to a final arrangement.

Hon. Mr. BEAUBIEN: I am sorry to interrupt again, but may I ask my honourable friend if we have been really under the intermediate tariff of Belgium for a year.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: And Belgium has been under our intermediate tariff for a year?

Hon. Mr. DANDURAND: Yes, since last winter.

Hon. Mr. BEAUBIEN: By virtue of what?

Hon. Mr. DANDURAND: By virtue of an Order in Council based upon the Act.

Hon. Mr. BEAUBIEN: Therefore, since a year ago this Government, by Order in Council, have knocked out the top row of bricks of our protection wall?

Hon. Mr. DANDURAND: Oh, but my honourable friend must not forget that that was done by virtue of an Act which this Government did not pass, and which authorized the Governor in Council so to do; and, in knocking down our tariff, the intermediate, we got that splendid result, of which my honourable friend is so happy to boast about, in our sales to Belgium.

Hon. Mr. BEAUBIEN: I do not boast about anything at all; quite the reverse. I am sorry we disturbed the present condition.

Hon. Mr. DANDURAND: But is my honourable friend not perfectly happy to observe the strides we have made in the Belgian market?

Hon. Mr. BEAUBIEN: No, I am not so happy to see the strides as I am anxious that we should not disturb them.

Hon. Mr. DANDURAND: But we are improving the situation.

Hon. Mr. BEAUBIEN: But my honourable friend now wants to perpetuate that system.

Hon. Mr. DANDURAND: We want to increase our sales in Belgium.

Hon. Mr. BEAUBIEN: But I want to find out whether or not you want to extend to Belgium by law our intermediate tariff. That is what you are doing. You are not giving the British preference.

Hon. Mr. DANDURAND: That is practically so.

Hon. Mr. BEAUBIEN: Then you are giving the next best thing, which is the intermediate tariff.

Hon. Mr. DANDURAND: The most-favoured-nation treatment.

Hon. Mr. BEAUBIEN: You have already extended that by Order in Council for a year, and you want to perpetuate it.

Hon. Mr. DANDURAND: By the agreement which we submit to the Senate.

Hon. Mr. BEAUBIEN: Now we begin to understand a bit. What do we get in exchange? Can we see the Belgian tariff that is going to be applied to Canada?

Hon. Mr. DANDURAND: Yes, I will pass it over to my honourable friend right away.

Hon. Mr. McCORMICK: What effect will that tariff have on the glass industry in Hamilton?

Hon. Mr. DANDURAND: It will have no effect on that industry, apart from a very slight reduction in the tariff. It will have a very slight effect. That industry has not fared very well, and was showing distress before the Belgian arrangement came into effect. I may add that in the autumn of 1914 I had a visit of glass-makers from Liege, Belgium, who were desirous of founding an industry in Canada, because their territory was in the hands of Germany. There were men of experience. I studied their proposition, and turned them over to a member of the Senate who had more experience in the glassware business in his youth than most people I know in Canada, and who had at his disposal the necessary credit to carry such a proposition if there any merit in it. After a deep and serious study, he answered me that if I guaranteed that the war would continue for 10 years he would put up that factory, but he would take very good care to amortize his capital within 10 years. He did not go into the industry, nor did I, because of the superior conditions we found to exist in Belgium. I do not want to depreciate the venture of the Hamilton group of which my honourable friend speaks, but I give him my experience in examining into that situation as far back as 1914.

Hon. Sir EDWARD KEMP: Honourable gentlemen, the honourable leader, in reply to me, went as far back as the Reciprocity Treaty of 1854. By the bye, he claimed that I was quite as old as he, but I cannot remember as far back as that.

Hon. Mr. DANDURAND: No, I spoke of the men of 65 and 66.

Hon. Sir EDWARD KEMP: I referred to the operation of the tariff of 1878, coupled with which was the reciprocity offered to the United States, and so on.

Hon. Mr. DANDURAND: In natural products.

Hon. Sir EDWARD KEMP: And there was the old discussion in the eastern provinces for commercial union and such questions. But those days have gone by, and we started to try and run our country in the interests of Canadians, and build railroads east and west to develop the Dominion as a Dominion. Then my honourable friend referred to that great statesman, Sir John A. Macdonald, and the course which he had pursued. I am sure I can refer him to a statesman whom he will revere at least equally with Sir John A. Macdonald. I heard Sir Wilfrid Laurier utter these words:

> I have found in the short experience during which it has been my privilege and my fortune to be placed at the head of affairs, by the will of the Canadian people, that the best and most effective way to maintain friendship with our American neighbours is to be absolutely independent of them.

Now, I do not want to bring the reciprocity campaign of 1911 into this discussion, because if I did we would be here all night and all day to-morrow.

Hon. Mr. DANDURAND: It was my friend who spoke of the reciprocity pact.

Hon. Sir EDWARD KEMP: If we had tied ourselves up with the United States they would have cancelled the treaty when it suited them, according to the notice which was stated in the treaty. Surely my honourable friend is not so credulous as to think otherwise, when at a time like the present, a duty of 30 cents a bushel on wheat was not thought sufficient, and the agitation in the northern States was so great that they placed 12 cents on top of that, and now have a duty of 42 cents a bushel. Under an agitation of that character I am sure the United States Government would have been forced to cancel the Reciprocity Treaty we made with them at any time that the western people thought fit, when the political influence was sufficient for that purpose.

Of course, there are two schools in this country still. One is the school that says, "We have sounded, and will sound, the death-knell of protection." My honourable friend interprets that to mean that there will always be incidental protection in a revenue tariff;

that you can get more revenue in this country by doing away with protection than by protection, because more merchandise will come into the country, so this school says, "We will have a tariff for revenue, and there will be protection incidentally." The other school says, "We will have a protective tariff to protect the Canadian workmen and equalize the competition with other nations in the world, and it will be a protective tariff that incidentally will produce revenue." There are those two schools, and my honourable friend belongs to the former.

Hon. Mr. BEAUBIEN: Before I sit down I may say that my honourable friend has passed over to me the Belgian tariff of 218 pages, each page containing perhaps 30 items. How does he expect me to discuss intelligently this tariff?

Hon. Mr. DANDURAND: I suggest to my honourable friend that he accept this document as a gift, if the Department of Finance will part with it, so that he may study it during his leisure; and if he thinks that this arrangement which is being put into operation would work adversely to Canada, and can demonstrate that to the Senate, then we will be able to give one year's notice, and denounce it. But my hope is that it will work so satisfactorily that we will increase the possibilities for larger production in our industrial centres and on our farms, so that we will not have to move in that direction.

Of course, a commercial arrangement with a country is fairly experimental: it is only in the working of it that we can realize exactly what it is worth. We may prognosticate; we may look at the sales, the purchases, and the movement of trade, and conclude that the trade, being to-day of such a volume, will increase in proportion to the facility with which the two countries can trade together. All this I need not stress; but we are making an effort to widen our market in Belgium. We have already done so during the last few months, and I think it is a market worth cultivating.

My honourable friend said: "While you were working arduously to make a good bargain with France, you turned around and asked Italy if they would make a similar contract with us, accepting our market on the same conditions as we had given to France, and said that we would take their best offer, whatever it was." But my honourable friend forgets that if we were working for Italy when working for France, and bettering the chances of Italy, and offering Italy the most-favoured-nation treatment—the French treatment, if you will—there were other countries at the same time taking the same point of view, working seriously and closely with Italy for reciprocal arrangements, and getting advantages in the Italian market. All those countries working with Italy in order to enter that market in exchange for favours given in their own, were really working for us at the same time. When we got from Italy the most-favoured-nation treatment we got the best that all the countries that negotiated with Italy obtained.

Likewise we are saying to Belgium: "Come into Canada and you will get the best treatment that we are according to any country in the world." Many countries have been negotiating with Belgium during these last years, and have obtained large concessions from that country. We will have the advantage of those concessions likewise. It seems that when we go to Belgium we say, "You have been testing our market; you have been selling us $5,000,000 worth of goods; we want to increase your sales; give us the best and most-favoured-nation treatment, and we will do likewise for you."

We sold to Belgium last year $17,000,000 worth, covering a number of articles. I know that the members from British Columbia were all elated at the advantages that were obtained for their canned salmon.

Hon. Sir JAMES LOUGHEED: When, where, and by whom was this negotiated?

Hon. Mr. DANDURAND: This was negotiated in the city of Ottawa, by the special delegate of Belgium. We have been in the habit of negotiating in outside capitals, but this case was exceptional, and we negotiated it at home. It was signed in Ottawa by the duly accredited representatives of His Majesty, Messrs. Robb and Béland. The representatives of the King of the Belgians was Monsieur de Selys-Fanson.

Hon. Sir JAMES LOUGHEED: Had it been discussed in Belgium at the time of the French Treaty?

Hon. Mr. DANDURAND: Yes, it was discussed. There was a provisional discussion either in Paris or Brussels or London.

Hon. Sir JAMES LOUGHEED: What is this provisional treaty to which you refer, made by Order in Council? How did it originate? Was our trade with Belgium in any way threatened? Why did this Government consider it necessary to enter into a treaty with Belgium, particularly in view of the volume of our trade with that country being

very much larger than that of Belgium with us—about four to one, I think.

Hon. Mr. DANDURAND: It was the result of negotiations.

Hon. Sir JAMES LOUGHEED: But were we threatened with the diminution of our trade?

Hon. Mr. DANDURAND: That was the situation.

Hon. Sir JAMES LOUGHEED: What gave rise to that?

Hon. Mr. DANDURAND: Well, if the balance of trade is largely against us, and we can improve our situation—

Hon. Sir JAMES LOUGHEED: But it was not.

Hon. Mr. DANDURAND: No; but I am illustrating. If the balance of trade is largely against us, it stands to reason that we will try to arrange to negotiate. If the balance of trade is largely in our favour, it goes without saying that the other party will try to improve his situation.

Hon. Sir JAMES LOUGHEED: But what I want to know is, how did the negotiations originate? Were the proposals made by Belgium?

Hon. Mr. DANDURAND: I am informed that the first contact was in Paris, while our negotiators were there. The Belgians came over to discuss their own situation, and invited the representatives of Canada to Brussels when their negotiations at Paris would be over. They went to Brussels, and I am not sure if there were not continued conversations in London. Those were the days of the first contact of the two Governments.

Hon. Mr. BEAUBIEN: I rise just for a few last words. I understand that my honourable friend, has been kind enough, at these last moments, to place in my hands the tariff of Belgium, containing no less than 218 pages, with annexes, and he says to me, "We are going to pass this Treaty"—

Hon. Mr. DANDURAND: With your consent.

Hon. Mr. MURPHY: It is not passed yet.

Hon. Mr. BEAUBIEN: "—and in the parliamentary recess you can study it, and if you are not satisfied, if you can demonstrate at next Session that we have made an error, we shall give notice, and a year after that the Treaty will be abrogated." Last year, for my part, I agreed to two treaties that were made in a similar way. I did so much against the grain. It is quite possible that we are forced to make a new Treaty with Belgium. Conditions may be perfect for us at the present time, but they may not remain so, and we may be obliged to make a new Treaty. Nevertheless, for my part, I am not going to vote for a treaty that is presented to us at the last moment. Honourable members of this House have not received copies of the proposed tariff. It has been my privilege to receive a copy, but the privilege may be useless, for I cannot absorb this tariff instantaneously. My honourable colleagues in the House have not had this advantage; they have not had even a glance at the tariff; they have not had even a look at the concessions by which we are to be compensated if we accept the Treaty.

This is too grave a question for me to decide hurriedly. My honourable friend may be right: this Treaty may be a good one. Our favourable balance of trade may on this account be retained for years. On the other hand, the Treaty may be all wrong: we may lose millions and millions. Are we going to decide the matter in half-an-hour, without knowing at all what we get in exchange for the Canadian market? Do not forget, honourable gentlemen, that the average Canadian purchases from Belgium four times as much as the average American. It is not merely a market of 9,000,000 people we are offering to Belgium; it is a market equal to 36,000,000 Americans. That is worth something. It is worth the best that Belgium can give us, and for my part I want to be sure that we are going to get the best possible concessions in return for what we give.

Hon. Mr. DAVID: Another question, if you please. I find in the tariff, a copy of which the honourable gentleman has been kind enough to lend me, that under the word "footwear" there are about twenty articles. How can I ascertain—who can tell me—whether or not there is a reduction on the articles which are mentioned in these two pages?

Hon. Mr. DANDURAND: This is the tariff by which we are to be favoured in Belgium. We shall get a reduction representing about one-third of the maximum tariff. That is the advantage which we shall derive in entering the Belgian market.

My honourable friend from Montarville (Hon. Mr. Beaubien) says that he would have to study this whole book.

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. DANDURAND: If we were to remain in session a month longer, and if I had 96 copies to distribute, I wonder how many honourable members would study this Belgian tariff before deciding whether the Convention is a good bargain or not. I put the question to my honourable friend. But I may tell him—

Hon. Mr. BEAUBIEN: May I answer? I know that my honourable friend would do one thing: he would have a special committee formed for the purpose of studying it. At the beginning of the Session they would have four or five months before them. They would be, as it were, trustees of the Canadian market, and I know that my honourable friend would have confidence enough in them to feel that they would make a pretty sound report on what we are to get in exchange for what we give.

Hon. Mr. DANDURAND: If we had a special committee, we would have our experts before it. It is as a result of the work of our experts in the Finance Department that we now submit this proposal.

Hon. Mr. BEAUBIEN: We always have the experts before us, but while they may enlighten us, it is we who decide.

Hon. Mr. DANDURAND: I would point out to my honourable friend that the total imports of butter into Belgium last year amounted to 8,244 tons, valued at 118,000,000 francs. The imports of cheese totalled 14,900 tons. The number of eggs imported totalled 52,000,000. The total imports of wheat were 897,000 tons, or 33,000,000 bushels.

Hon. Mr. MURPHY: Did those come from Canada?

Hon. Mr. DANDURAND: No; these are the total importations of Belgium.

Hon. Mr. MURPHY: That is what I thought.

Hon. Mr. DANDURAND: Barley, 115,000 tons; oats, 39,600 tons.

Hon. Mr. MURPHY: A lot of oats came from Canada!

Hon. Mr. DANDURAND: The motor-car and cycle market is one that is expanding considerably, and we are making strides in that market. I have read the list of our exports to Belgium. Representatives of some of the Provinces have examined into the value of the arrangement, and the advantages that would accrue to their products, and I have not heard one word of criticism except as to the glass industry. That new industry founded in Hamilton has been rather in distress, but it was in distress before this intermediate tariff arrangement was made with Belgium.

It seems to me that, in view of the progress we have made in the Belgian market, it would be a very serious step for us to refuse to enter into this arrangement, especially when, as we know, the new tariff will come into effect on the 1st of October next, and our refusal would place us in the "general" column, and all the advantages that would have accrued to Canada would be lost at one fell blow. Even if honourable gentlemen have not had time to study the proposal minutely, it seems to me that there are far more advantages and far fewer risks in accepting this Treaty, seeing how it works for a year or two, and then considering the merits of the arrangement.

Hon. JOHN McCORMICK: Honourable gentlemen, at this late stage of the Session, and in view of the experience that this country has had in the case of a similar arrangement made within the past year or so, I do not think that a proposal of this kind should be adopted without mature consideration.

Hon. Mr. DANDURAND: But my honourable friend forgets what have been the total imports from Canada into Belgium last year. Otherwise he would not say that this is not a favourable arrangement.

Hon. Mr. McCORMICK: Within the past year, after the investment of considerable capital, a certain industry was started in the city of Hamilton. When the Belgians, who are perhaps the greatest glass makers in the world, shipping glassware all over the seven seas—when they found that this industry in Hamilton was taking from them considerable business here in Canada, what did they do? They cut their price 40 per cent, until the Hamilton industry was closed up; then the price went up again, and the people of Canada are now paying the same price for glass as they did formerly. The men who were employed in that factory at Hamilton are now out of work, and the Canadian capital invested there is not worth as much as it was when it was put in.

It is lamentable that there are so many people of a certain school of thought. There are some such men in the old country, and we have some of them in this country. I have sat in the galleries and heard them talk about a certain system of fiscal arrangements.

They are men who talk about Cobden and Bright as if they were the Evangelists, repeating what they said away back in the forties of the last century, as if it were good for all times and under all conditions. They are a class of men who seem to have been not at all affected by the experiences of the world, who seem not to have had their views modified by the changed conditions. And I am sorry to see that in the seats of Government when there are so many men who believe in that sort of thing, they are influenced by the men who are wielding the big stick and dictating the policy of this Government, to the detriment of this country.

Now, I desire to say something, with regard to the whole matter of trade arrangements with Belgium, France, and Italy. In the markets in small towns down in the Maritime Provinces we have goods of French manufacture coming in. We find that the woollen industry of this country has been hard hit. I refer to the knitting business and the manufacture of fabrics in Canada. It has been reduced to about 40 per cent. It has been largely supplanted by goods imported from Great Britain under this new preference of 10 per cent given last year. Owing to the condition of French currency and to the fact that wages are less over there than in this country, our goods are being displaced by the goods from England of 75 per cent French material, manufactured by French labour. There is no provision for keeping out such goods. They come in under the British preference. Is that fair competition? Is it fair to the people of this country—to the employees in our factories, or to those who have invested capital in this country—to expose them to competition of that kind? I say that treaties of this kind should be carefully examined into, instead of being submitted to us in the last week of the Session, especially in view of the effects of a similar Treaty which is already in operation.

With regard to the preference of 10 per cent that was put on last year, I would point out that small things sometimes have a very serious effect. The increase of the British preference by 10 per cent in the latter part of 1923, although it was done with the best intentions, has had a very serious and detrimental effect on the whole wollen industry of this country, and also upon our our shoe industry. Why, the tariff as it now stands with regard to woollen goods is not a tariff at all. It must be remembered, too, when you make a Convention with Belgium, that you are dealing with a people who in certain lines of manufacturing have no superior in the world. As to the British preference, I am quite agreeable that it should be given, for the sentimental reason that we belong to the same Empire, and also because the British people are great purchasers and consumers of our goods. But what is the condition to-day, so far as the British preference is concerned? From the general tariff of 33⅓ per cent there is one-third taken off, and there is an additional cut of 10 per cent on goods brought in by Canadian ports. Then it must be remembered that the pound is now around $4.35 instead of $4.86. Consequently the tariff of to-day on British goods is not much more than 50 per cent of the general tariff, and we are dealing with people who in the course of centuries have become expert in the manufacture of fine fabrics and various commodities which are imported into this country and sent over the seven seas to all countries in the world.

What is the condition that you find in the woollen industry? I saw only the other day a report from a most authentic source, which stated—I did not calculate the exact figures—that the knit goods coming into this country have doubled and trebled within the last eighteen months. When you examine the case you find that the operatives in the Old Country factories, not only the knitting factories but also the establishments in which textile fabrics are made, are paid less than one-half of what the operatives in similar factories in this country receive. I am just as good a Britisher as there is in this country, but I am not so much a Britisher as to be willing to submit to such a condition, that is doing injustice to the people of this country, and it is not to be expected that any self-respecting Britisher would submit to it.

I have thought that with regard to this aspect of the case I ought to make an explanation. When this matter was under discussion a few days ago on a resolution of the honourable gentleman from Mille Iles (Hon. Mr. David), I said I was prepared to vote for the abolition of the British preference now. It has been in operation since 1896. What has been the result? The free traders in the old country, the Cobdenites over there, were afraid to call it protection, but our cattle were barred out of the British market for all those years, under a pretext. It is only recently that we have succeeded in getting the embargo removed. Some changes were made during the war by the Lloyd George Government. Power was taken by the Government to protect what were regarded as the important key industries of

Great Britain. The men who are engaged in public affairs in Great Britain are not all men with single-track minds. At the last election nearly 40 per cent of the people in the United Kingdom voted in support of the Baldwin protection policy, and the Government there is now in the hands of men who have announced their intention of repealing on the 1st of August the small concessions that were made to the Colonies. I say that in order to support and encourage the men in Britain who are favourable to the scheme of preference between the Colonies and the Mother Country, we ought to show that we in this country are not satisfied with the results of the British preference. I am prepared now to vote against it, and if it were possible to bring about any result I would vote now for the striking off of that extra 10 per cent. That is the last straw that broke the camel's back.

It is said that by this new Convention our trade with Belgium will be increased. You may increase the sale of your canned salmon and other canned goods, for instance, but you must also consider how this Convention and the increased exchange will interfere with the legitimate protection to which industry in this country is entitled, and what the effect will be upon the people who are engaged in these industries. In one way I hesitated with regard to the statement I made on that occasion because of the statement made by the right honourable the junior member for Ottawa the other night. But that is something that we can have no hope of from this administration. We have in the Government of this country a man who looks around to see the result of the operation of this new policy, and who says he hopes it is the death-knell of protection. That policy certainly must be a policy that commends itself to the men in office. The Cabinet must take the responsibility of that statement of one of their Ministers. That being so, I do not think there is much ground for hope that this condition will be improved while the present Government remains where it is. In the community from which I come in the Maritime Provinces I have seen fabrics from countries from which I never saw anything before. I have seen shoes from the British Isles—something that during all my experience in business there I never saw before. We have them in the little stores in that community, and I say that if this House can take any action which will have the effect of bringing to the minds of the people of this country the seriousness of the situation, I think our time would be well spent in taking that action. This is not the time to bring in a convention with a country like Belgium after the experience we have had in the glass industry in this country, and I think it might well be delayed for another year.

Hon. Mr. DAVID: I do not think I put my question correctly to the leader of the House. May I put it again? I wanted to know if the duties on boots and shoes and woolen articles imported from Belgium had been reduced.

Hon. Mr. ROBERTSON: While my honourable friend is looking up the information, may I ask him to be good enough to call the attention of the official bell ringer of the Government to the fact that while he is preparing to ring the death-knell of protection in Canada, he is also preparing to ring the death-knell of the hopes of many thousands of Canadian workmen who are losing their employment every day, and whose prospects are to-day darker than they have been at any time for many years. Before he rings down the curtain, he should give greater consideration to that matter than he has done in the past.

In 1919, those who are now responsible for the carrying on of the affairs of this country posed as, and pledged themselves to be, friends of the working people and the common people of Canada. Now they are fulfilling that pledge. While I am not questioning their sincerity, their good intentions, I want to call their attention to the fact that the results are not what they promised. Within the past eighteen months there have been Treaties and tariff revisions of various sorts made effective, which have had the effect of reducing the import duties on goods from Great Britain, France, Switzerland, Italy and Belgium—and we will presently be asked to pass a new Treaty with Finland; and they are greatly reducing the tariffs on goods from Japan; all of which has contributed to create a situation which last year caused 182,000 Canadian workmen to emigrate from their home land.

I call the attention of my honourable friend and of the Government to the loss that that means to Canada. In 1920 a rather careful survey was made to ascertain the average earnings of the average Canadian workingman engaged in industries apart from transportation. That investigation brought out the fact that the average wage earned at that time was about $1,117 per year per man. On the basis of $1,100 a year, the loss to Canada by reason of 182,000 workmen

leaving the country aggregates over $200,000,000 a year. If honourable gentlemen can look calmly on the departure of over 500 men a day for every working day in the year, and upon a loss of $200,000,000 in wages earned, they will realize what that means in money circulated and spent, they will perhaps realize whither we are drifting and what the ultimate result is going to be if this performance continues indefinitely.

Hon. Mr. DAVID: Does the honourable gentleman contend that the Conservative party did not reduce the tariff while it was in power?

Hon. Mr. DANDURAND: His own Cabinet.

Hon. Mr. ROBERTSON: I admit that the Government of which I happened to be a member for a short period, did reduce the tariff for specific reasons during the war on certain articles that were necessary for the increased and intensified production at that time. But the tariff question during the war period and the tariff question under normal conditions or under the abnormal condition that now exists, are two very different matters. I submit, honourable gentlemen, that if Canadian industries were to be placed in the same proportionate relation to other countries, in view of the existing currency values in all lands of the world, our tariffs to-day would be substantially higher, probably double what they were before the war. I submit also that a tariff increased by 100 per cent would not be any greater than it was at that time because of the depleted value of the currency of other countries. It is very difficult to adjust all these inequalities in a short period of time; but I submit that the Governments are adjusting them in a wrong direction, and are making the situation worse instead of better.

Some reference has been made to the glass industry. I was born within 35 miles of the city of Hamilton, where there was built a few years ago a large industry to manufacture glass. The name of the firm was, I think, the Libby-Owens Company. That firm employed something like 700 men in their factory. To-day that plant is idle—why? Because my honourable friend and his Government, by Order in Council—in something the same way that they did a year ago—undertook to adjust the tariff of this country, and now they come along and ask Parliament in the last week of the Session to ratify their action without giving it a knowledge of the details or the facts.

Hon. Mr. ROBERTSON.

Hon. Mr. DANDURAND: I may inform my honourable friend that the change under the Order in Council did not alter the rate on common glass.

Hon. Mr. ROBERTSON: That only emphasizes the argument that I have been advancing, namely, that the depreciated currency of other lands is putting industry in this country out of business without any change in the tariff, and that the lowering of the tariff is only aggravating the situation.

Hon. Mr. McCORMICK: Was not the tariff on glass reduced about 9 per cent by the application of the intermediate tariff?

Hon. Mr. DANDURAND: According to the information I have, the answer is in the negative. I see: "Common and colourless window glass, general tariff, 12½ per cent; intermediate tariff, 12½ per cent."

Hon. Mr. ROBERTSON: May I refer to other indications of this same fact? Within Canada to-day we have over $8,000,000 worth of machinery and equipment standing idle because of the tinkering with the tariff on woollens. Over 17,000 workmen have been thrown out of employment, and, according to statements that have been presented in this House this Session, more than 10 per cent, or over 17,000, have emigrated to the United States to obtain employment. In addition to that, it is well known by those who have looked into the matter, that most of those 17,000 were highly skilled and high salaried specialists in designing and so forth, and had no opportunity of obtaining employment in the near future in Canada at their chosen trade. So it is the most skilled and most highly paid workmen who are leaving our country and going elsewhere.

The very unsatisfactory situation in the shoe industry has been referred to. In that industry the same situation exists so far as workmen are concerned, and perhaps even in a more aggravated form. What does all this mean? Look at the returns of the Government's revenue during the last four months, and you will see what it means. When you see that the Excise Duties, Sales Tax, and so on have dropped over $16,000,000 in the last three months, you will realize just what the stagnation in industry is. Has anyone seen a new factory being built in Canada this year? I venture to say that you can go into almost any city and not see a single factory going up at the present time.

This is a serious situation. It is serious from the standpoint of many thousands of workmen who have attempted to establish

themselves in the locality where they live, and who have saved a few dollars and have invested them in a home and who, after perhaps having the home one-third or one-half paid for, have found themselves out of employment because of this industrial depression and because of the exodus of population which makes it impossible for them to realize upon their property, which they probably have to sell for very much less than they paid for it, thus losing their entire equity in many cases, all because the official bell-ringer proposes to ring the death-knell of protection in Canada.

I say to the honourable leader of this House and to the Government that the time is coming when they will realize what many of us who are close to the workmen in Canada realize now. This is a serious matter, and I think it is probably undersirable that this House, without the greatest provocation, should decline to accept or to endorse a Treaty which the Government has assumed the responsibility of making. I do not propose to go that far, but I do most earnestly press upon the leader of this House the advisability of calling the attention of his colleagues to the serious situation that is facing Canada to-day.

On top of all I have referred to, remember that the earnings of our transportation companies, by reason of the same cause, are dropping down about $1,500,000—a condition which is likely to continue. The problem of the Canadian National Railways is going to grow unless something is done to increase trade and population instead of driving our Canadian citizens out of the country and spending millions of dollars to try to get some foreigners in. The future does not hold a very bright prospect, and I hope that before the bell rings, serious counsel will be taken as to whether it would not be wise not to ring it.

Hon. Mr. BEIQUE: When the honourable gentleman from Mille Iles (Hon. Mr. David) moved his motion, I felt that I was in sympathy with it, and I desired to be properly informed as to the full effect of the British preference. I am interested in Canadian industry. For a great number of years I have been a member of the Boards of some important companies, and have always maintained the opinion that this country cannot live on agriculture alone, but must live on industry. We have a very large territory with almost inexhaustible natural resources. That territory cannot be developed and the natural resources cannot be developed by agriculture alone. If we desire to assure the prosperity of this country, we must bear in mind the fact that a proper balance must be maintained between agriculture and industry.

I am in favour of a tariff, and I am ready to go to this extent—and always have been—that if no revenue were required for the carrying on of the Government of the country, I should still be in favour of a tariff in order to build industry. I am not in favour of high protection. I have thought that protection should be limited to what is necessary for the building of industry, provided the industry is properly managed; otherwise it would be unfair to the party who is unduly protected, because it could be only temporary, and it would be most unfair to the consumers at large, and especially to the agriculturists.

I believe that a tariff is an exceedingly complex problem, and, so far as I am concerned, I do not feel qualified, or possessed of the necessary information, to pass upon the general question of tariff, which requires very special knowledge. I am strongly in favour of the creation of a Tariff Board, composed of a very few men, who would make it a specialty to keep themselves properly informed in all details relating to the tariff. I have been an advocate of that plan for a great number of years. I advocated it with Sir Wilfrid Laurier as far back as 1906 or 1907, and at that time he seemed to be in favour of the idea, but the Finance Minister was not disposed to adopt it.

I understand that it is the intention of the Government of the day to adopt some part of that idea. However, the Prime Minister, who I presume expresses the views of the Government, does not favour a Commission, but prefers having officials of the Finance Department to advise that Department on tariff subjects. I am sorry that the Government is not willing to go further.

I think that the tariff is one of the most important problems to the future of this country. I have been convinced all along that there was too much politics connected with the tariff. One reason why I favour a Tariff Commission is that I would like to see the tariff taken out of politics as much as possible. I believe that a Commission composed of say three very prominent persons—one of Conservative leanings and ideas, one of Liberal leanings and ideas, and one of Progressive leanings and ideas, all of them men of high standing, would very soon come to an agreement; and if they could have the proper staff to inform them fully on all details of the tariff, they would be able to exercise a great influence. Of course,

their action would have to be controlled by the Government of the day, whether it was a Liberal or a Conservative Government; but a Board of that kind, having the advantage of full information, would be able to guide public opinion to a considerable extent.

A Board of that kind would possess the technical knowledge necessary to prevent, by advice at the proper time, the undue expansion of any given industry, and thus prevent industrial crisis. It would also be the means of promoting industries, especially in the West, where they are very much required, and also in the eastern provinces. The Board would be in a position to give proper counsel to parties who intended to establish industries, and thus would be of very great assistance in the country's development.

I have referred to the West. If we desire to have unity in this country we must proceed as our friends on the other side of the line did some 40 or 50 years ago. I well remember when we were all convinced that the American Republic would be divided into three parts because the interests were so diverse. We thought there would be a Republic of the North, a Republic of the South, and a Republic of the West. I was a firm believer in that idea, but I saw that industries were gradually promoted in the West and more recently in the South, to such an extent that all interests are now perfectly unified; so that we do not hear of any conflict of interests in the United States.

Well, our ambition, our aim, and our efforts here should be in the same direction. The Canadian West is exclusively agricultural, but it cannot remain that way, for farms in time will be more or less exhausted, and in any case it is too much for the West to live on five or six months' work in the year, or on agriculture alone. There must be industries in the West, possibly not to the same extent as in the East, but there must be industrial development there in order to unify their ideas with ours.

Hon. Mr. DAVID: They will be in favour of protection then.

Hon. Mr. BEIQUE: Well, it is natural for each man to look after his own interests. If we were in their place we would possibly think as they are thinking. The West is composed of men full of energy who went to the West in the prime of life determined on building fortunes, and I am not at all surprised at their state of mind. They are interested in agriculture alone, and are jealous of any contribution which they are called to pay, directly or indirectly—

Hon. Mr. DANDURAND: To other industries.

Hon. Mr. BEIQUE: To other industries; so that we must do as other countries have done. In European countries there are industries of all kinds. In Germany industries were established in families. In Finland there are home industries to-day that are very prosperous. There are all kinds of means to promote industries of some kind. A Board such as I have in mind would be the means of rendering very great assistance in the directions that I have mentioned.

When I saw the motion which had been moved by the honourable member for Mille Iles (Hon. Mr. David), I thought I would try to become better informed as to the effect of the British preference, and I made this demand in the Senate on June 19:

> Quantity and value of the following goods imported from the United Kingdom and from the United States of America separately during each of the fiscal years, 1920, 1921, 1922 and 1923, and during each of the first four months of 1924 in comparison with the same months of 1923:
>
> (a) Boots and shoes in competition with Canadian-made-like-goods.
>
> (b) Cotton goods in competition with Canadian-made-like-goods.
>
> (c) Woollen goods in competition with Canadian-made-like-goods.
>
> Showing also the additional amount of duty which would have been paid each year on each class of such goods if there had been no preferential tariff, or if there had been no increase in such preference.

I thought I would limit the inquiry to these three classes, in one of which I am especially interested, namely, cotton goods. Boots and shoes are important, as well as the woolen industries in this country. The report that I received was somewhat of a surprise to me and I think will be to most of the honourable members of this House. I will give the figures:

Statement of Imports from the United Kingdom and the United States of Boots and Shoes, Cotton and Wool Goods entered for Consumption in Canada during the Fiscal Years ended March 31st, 1921 to 1924, with Additional Amount of Duty that would have been payable if there had been no Preferential Tariff.

Item	Fiscal Year	United Kingdom		United States
		Value	Additional Duty as above	Value
		$	$	$
Boots and shoes, rubber	1921	29,356	2,931	239,688
	1922	1,442	139	96,640
	1923	1,295	129	90,067
	1924	45,295	4,529	154,818
Boots and shoes, leather	1921	360,584	34,060	1,826,221
	1922	338,628	32,319	985,775
	1923	414,564	49,629	797,444
	1924	712,863	98,864	789,942
Boots and shoes, other	1921	204,406	20,412	285,877
	1922	46,035	4,476	171,632
	1923	69,297	8,452	322,927
	1924	140,072	19,683	264,449
Cotton manufactures	1921	37,313,925	2,640,687	29,088,511
	1922	14,100,681	1,035,239	18,786,425
	1923	17,874,992	1,533,182	19,391,830
	1924	19,171,138	2,023,173	15,838,965
Wool and manufactures	1921	52,772,786	3,226,401	12,091,319
	1922	27,232,945	1,545,988	5,383,242
	1923	37,762,683	2,632,867	4,038,172
	1924	37,745,096	2,213,022	4,514,716

Hon. Mr. BEAUBIEN: May I ask the honouarable gentleman what he intends to prove, so that we may follow more easily?

Hon. Mr. BEIQUE: These figures show that the preference had not the effect that I thought it had.

Hon. Mr. BEAUBIEN: How is that?

Hon. Mr. BEIQUE: That will be more apparent when I give the figures of the four months of 1924 compared with the four months of 1923.

Hon. Mr. BEAUBIEN: You have given the total amount of imports from the United Kingdom in woollens?

Hon. Mr. BEIQUE: Yes, and they are not increasing. I am surprised, also, that the amounts of the additional duty which would have been paid on those goods were not larger.

Hon. Mr. BEAUBIEN: My honourable friend has laboured through a lot of figures, and at the end he will have no proof at all.

Hon. Mr. BEIQUE: Possibly it may prove nothing for the honourable gentleman, but it may prove something for other honourable gentlemen. To me it does prove something; it proves more than the figures which the honourable gentleman placed before this House. I was interested in his figures, as I am generally interested in his remarks. I like to listen to the honourable gentleman. He presents his case very forcibly. I was in sympathy with the idea that he was presenting to the Senate. However, I have my own way of finding information and forming a judgment. I regret that the honourable gentleman considers that these figures do not show anything. I am of a contrary opinion. The honourable gentleman contended that the British preference was disastrous to Canadian industry. These figures, I submit, show the contrary.

Hon. Mr. BEAUBIEN: My honourable friend is quite wrong.

Hon. Mr. BEIQUE: They show that imports from Great Britain have not been increasing as much as we were led to believe.

Hon. Mr. BEAUBIEN: Just a second. I cited only the figures of 1923 and 1924 to show that nearly all the preference imports into Canada came from Great Britain.

Hon. Mr. BEIQUE: According to the figures I have here, there are much more goods coming from the United States.

Hon. Mr. BEIQUE: Ten times more.

Hon. Mr. BEAUBIEN: But they have no preference. If my honourable friend will bear with me—

Hon. Mr. DANDURAND: I suggest that it would be far better to allow the figures to be given in a compact way and be so printed in Hansard, rather than to have them broken up by this discussion.

Hon. Mr. BEIQUE: The figures I have given show that in several instances there has been a considerable decrease as compared with former years. I wanted to ascertain what had been the effect of the increase of the British preference in 1923, and for this purpose I asked for a return showing comparative figures for the months of January, February, March and April, 1923 and 1924. This is the information that I received:

Statement of Imports from the United Kingdom and United States of Boots and Shoes, Cotton and Wool Goods, Entered for Consumption in Canada during the First Four Months of 1923 and 1924

Item	Month	United Kingdom		United States	
		1923	1924	1923	1924
		$	$	$	$
Boots and shoes, rubber	January	206	4,861	4,544	15,184
	February	.....	1,983	5,288	5,650
	March	598	2,367	11,725	12,487
	April	.....	661	8,372	8,222
Boots and shoes, leather	January	17,354	44,942	52,218	47,324
	February	31,160	62,555	66,442	45,997
	March	71,432	120,840	109,955	89,254
	April	38,634	59,324	70,732	65,215
Boots and shoes, other	January	2,982	5,358	6,671	14,750
	February	2,335	1,585	33,278	12,951
	March	1,548	5,706	43,388	33,152
	April	2,761	1,095	46,032	17,093
Cotton manufactures	January	1,878,819	1,928,018	1,682,989	1,408,269
	February	2,014,701	1,731,385	1,756,649	1,330,288
	March	2,346,493	2,150,492	2,261,900	1,765,242
	April	1,703,118	1,410,073	1,539,934	1,081,486
Wool and manufactures	January	3,342,365	3,333,039	302,763	285,370
	February	3,744,336	3,158,131	347,341	401,392
	March	4,723,675	3,675,012	426,669	450,393
	April	3,122,464	2,422,448	331,414	300,641

Hon. Mr. ROBERTSON: To what does my honourable friend attribute that decline?

Hon. Mr. BEIQUE: I do not know to what it is attributable, but it does not show that the effect is of such importance as has been stated.

I repeat, I was in sympathy with the proposal, and I am still of the same opinion. I intended moving the adjournment of the debate on the motion of the honourable member for Mille Iles, because I desired to make some of the remarks that I am now making. I intend to support the proposal. For reasons which I shall state when I speak at greater length on the other question, I think that the British preference has served its purpose and should now be revised. I do not think that it should be wiped out entirely. In my opinion that would not be in the interest of the country. I am still a believer in a reasonable preference, not only for Great Britain, but also for the other dominions. We ought not to be carried away by the idea that all our troubles are due to the British preference.

The honourable member from Welland (Hon. Mr. Robertson) has referred to the United States. The United States is the country that has the greatest protection in the world.

Hon. Mr. BEAUBIEN: It is the most prosperous.

Hon. Mr. ROBERTSON: The country with whom we do the most trade.

Hon. Mr. BEAUBIEN: The most prosperous country in the world.

Hon. Mr. DANDURAND: Not now.

Hon. Mr. BEAUBIEN: Yes, even now.

Hon. Mr. BEIQUE: The production in the main industries in the United States, for months past, has been reduced to 50 or 60 per cent.

Hon. Mr. BEAUBIEN: What about ours?

Hon. Mr. DANDURAND: The United States is a protectionist country.

Hon. Mr. BEAUBIEN: Ours are worse.

Hon. Mr. BEIQUE: I am sorry that our industries are not more prosperous than they are. My desire is that their prosperity should be increased. But I am answering an argument. I am discussing the question in perfectly good faith. I am expressing my own opinion. I have been for a number of years interested in, and have followed the course of, industries both in this country and in the United States. For instance, during the past two or three years the textile industry of the United States has been still more affected than that of this country. There are reasons for this. We are passing judgment upon present conditions, but, I am afraid we are not taking into consideration the causes. It must not be forgotten that we have passed through a war. After the war there was a very large accumulation of goods of all kinds, that had to be liquidated.

Hon. Mr. DAVID: In the United States also?

Hon. Mr. BEIQUE: Yes, in the United States, in England, here, and in every country —things of all kinds, that had been accumulated in an extravagant way. We must bear in mind that nearly all industries had been unduly expanded. Now we are suffering the effects. Take for instance the shoe industry. I know of a number of shoe factories in Montreal that should have limited their production to say, $500,000 a year, and that doubled or trebled their output. They are now suffering because they over-expanded their industry and because after the war the purchasing power decreased. It will take a number of years to restore conditions to normal.

It has been stated by the honourable gentleman from Welland (Hon. Mr. Robertson) that our people are leaving for the United States and that we have in this country a large number of unemployed. I think the statement of the situation is exaggerated. Our people who left for the United States did so, I believe, chiefly because of the building that was going on in the American Republic. I know that a year ago when masons were getting $7, $8 or $10 here in Canada, they were offered $15 or $20 in New York and other cities across the line. Bricklayers, plasterers, carpenters, and other tradesmen were also offered higher wages, and they were tempted to leave. Now they are coming back because the building activity in the United States has diminished. I think we should bear these facts in mind when passing judgment on this question. We ought not to allow ourselves to be carried away too much because we may be suffering somewhat. We ought to do all that is possible to increase production in this country, but we must proceed wisely.

I am not in favour of an extravagant tariff. I do not think that it would last. Excess of any kind cannot be a proper policy. We must give the producer enough protection to enable him to realize a reasonable profit, but we must not give him such protection as would bear too heavily upon other classes of society. Those other classes would resent it—they would not put up with it; therefore the manufacturer himself would find it was not to his advantage, because the tariff would not be permanent enough.

I apologize for having spoken so much, perhaps in following to a certain extent the speakers who have preceded me. Now I come back to the question that is before us. I regret that we are not better informed upon it, and in order that we may obtain more information I suggest that the consideration of this Bill be postponed till to-morrow. As I view the situation, it is this. We are told, and I believe, that our trade relations with Belgium have been profitable—that there has been a large balance in our favour for a number of years. We are told that Belgium had decided upon the adoption of a new tariff, and that while the Minister of Finance was in Paris or in England last year the Belgian people heard of it and took the opportunity of meeting him and opening up negotiations.

Hon. Mr. ROBERTSON: Would my honourable friend pardon a question? Is the new Belgian tariff a higher one than its predecessor? Could he tell me that?

Hon. Mr. BEIQUE: Let the Government answer.

Hon. Mr. DANDURAND: In certain instances it is higher than the one to be replaced.

Hon. Mr. ROBERTSON: Then it would be quite reasonable to assume that the preference that we are now receiving under the new Belgian tariff would probably give us exactly the same rights as we formerly enjoyed. That is the point I had in mind. The honourable gentleman will pardon my interruption.

Hon. Mr. DANDURAND: We are to get more preference now.

Hon. Mr. BEIQUE: The Belgian authorities have naturally opened negotiations with the Canadian Government, and after a discussion of the question a treaty has been decided upon. It has been practically in effect for about a year.

Hon. Mr. DANDURAND: A provisional arrangement.

Hon. Mr. BEIQUE: A provisional arrangement, with a view to a treaty. It has worked very satisfactorily so far as we know. Now, I am inclined to place reliance upon the Department of Finance. I cannot believe that that Department has entered into this matter blindly. I am disposed to trust it, and, after getting all the necessary information, to support this measure. I think it would be a mistake to reject the Treaty, for this reason. Trade relations are difficult to establish. They have been established. If this Treaty were not ratified, Belgium would look somewhere else for the goods, and we might find in a year or two that our relations had been cut off, and that other people had taken our place. I think it would be unfortunate to expose ourselves to that possibility.

Hon. Mr. CASGRAIN: Honourable gentlemen, the ex-Minister of Labour drew such a dark and gloomy picture of the country that I almost thought he was going to weep. It was terrible—everyone deserting the country; 500 a day going away; not a new factory being erected in the country. I really think the honourable gentleman would be one of the very best persons to help the country out of its troubles. If wages were not so high in this country, we could compete with the manufacturers of other countries, and everyone would have work.

Let me give a concrete case. What are coal miners getting in England? What are they getting in Canada? The difference in wages, with the preference tacked on and the depreciated currency in England is the cause of so many of our miners being idle, and of the companies that are working being compelled to do so without making a profit. The honourable gentleman knows what wages in England are better than I do; he knows what they are here; but I think I am not very far from the mark in saying that they are twice as much here as in England. Coal mining is a basic industry. How can this country prosper if wages here are double what they are elsewhere? The honourable gentleman, I know, is a patriot, and has a great deal of influence. If he could make the workmen understand that as long as they keep wages up to the present rate Canadian industry cannot compete with industries elsewhere that are paying smaller wages.

Hon. Mr. ROBERTSON: Would my honourable friend like to have an answer to his question?

Hon. Mr. CASGRAIN: I will wait for my answer. I have heard business men all over the country saying: "How can I start an industry? How can I start building a factory with wages as they are? It is impossible for me to manufacture even for the local market with such wages." There is no denying the fact—and I think the honourable gentleman will agree with me—that with wages at the present level there is no possibility of new industries being started in this country.

Just one word to the honourable gentleman from De Salaberry (Hon. Mr. Béique). He advocated a beautiful thing—taking the tariff out of politics. That is about as easy as it would be to take our railways out of politics. Surely we have had enough Government by commission. What would the Government of the country do if it did not make the tariff? It might as well abdicate. Yet three great men—a great Liberal, a great Conservative, and a great Progressive—are to form a commission. Why, we have the Department of Finance filled with people who have done nothing else but look after tariffs ever since they have been in the Department. Surely those people know as much about making a tariff as any one. This gentleman right here in front of our leader has been in the Department for forty-seven years. In any event, the Government has to assume the responsibility of making the tariff, and, as I have said, I think we have had enough of Government by commission.

Now I will have the answer of my honourable friend.

Hon. Mr. ROBERTSON: In reply to my honourable friend's reference to the difference between the wages of miners in England and the wages of miners in Canada, I may say that it is true that the average daily wage of a coal miner in Canada is much higher than the average in England. It is also true that the cost of living in Canada is much higher than it is in England, and that the British miner works steadily most of the time, because the mines there are not operated seasonally as they are here. It is true that the British miner on the average, considering the proportionate cost of living, earns more than a Canadian miner working part time.

Hon. Mr. DANDURAND: "Working part time." My honourable friend has said that there were 50 per cent too many miners in the West.

Hon. Mr. ROBERTSON: No, I did not say that.

Hon. Mr. DANDURAND: And in order that they might live we were obliged to pay a double wage because they were only working three days a week.

Hon. Mr. ROBERTSON: My honourable friend's memory is at fault. I said some time ago that if the coal production of the West could be spread over the year, instead of being mined during five months of the year, about half the number of men employed would produce the same results; but that just as long as the men were required—and skilled miners have to be available—they must live twelve months even if they work only six. That is the difference between the mining industry in Canada and in England.

The honourable gentleman from De Salaberry (Hon. Mr. Beique) was good enough to give us some very useful and interesting information concerning trade. I asked him if he thought the failure to increase importation was due to the increase in preference. I think he will probably agree that that result is largely due to the decrease of the producing power of the Canadian people, and to the exodus from Canada of people who are not now purchasers.

Hon. Mr. McCORMICK: There seems to be a discrepancy between the statement read by the honourable gentleman (Hon. Mr. Dandurand) and one published in the Montreal Gazette of July 8 by Douglas Hallam, Secretary of the Canadian Woolen Manufacturers Association. According to the statement published on July 8, with regard to the imports of woolens and knitted goods from Great Britain, for the calendar year of 1921 there was imported from Great Britain $15,976,000, and for 1923, $22,183,000, worth of woven goods. Of knitted goods there were imported in 1921, $2,897,072 worth; and in 1923, $5,426,000 worth. Of yarns there were imported in 1921, $2,080,000; and in 1923, $3,750,000 worth.

The discrepancy in these figures shows the desirability of looking into this matter and finding out whether this or the statement read by the honourable gentleman is correct. It seems to me that the large increase, if this statement is correct, could only be caused by the increase in the preference.

While there has not been any considerable increase of the shoes imported from the United States during the last three years, there has been a large increase in the importation of shoes from the British Isles. It is quite obvious, I think, that the increased output of British shoes in the Canadian markets has resulted from the additional 10 per cent that was recently put on.

Hon. Mr. BEAUBIEN: I would like to know from my honourable friend, under what intermediate tariff we have been dealing with Belgium for the last year? Is it on the same basis as the intermediate tariff which will be extended to us under this Treaty?

Hon. Mr. DANDURAND: The information which is imparted to me, and which I give to my honourable friend, is that the variations will bear on the advantages given France. There are a few articles, as my honourable friend knows, that come below the intermediate tariff; so it will be the same intermediate tariff, as far as I can make out, as the one which is now in operation in Belgium. There will be a new tariff in October next; but I believe it is the general tariff that is increased, and that the intermediate tariff remains about the same.

Hon. Mr. BEAUBIEN: I understand that the Belgian tariff imposed on our goods for the last twelve months is going to be continued by this Treaty. That is what I want to know.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: That is some information anyway.

I may say that I followed with a great deal of interest the speeches made by honourable gentlemen across the House. I always do. I watched the leader of the House and the honourable member for De Salaberry (Hon. Mr. Béique). The question is a very simple one but no information is given. A big contract is about to be made; we are going to give something that is worth millions; what are we going to receive in exchange? That is a simple question. We have been discussing for an hour and a half the results of this convention. No one knows better than those gentlemen the question under discussion. I am not making any reflection, but I ask why is a red herring drawn across the trail? Why cannot we discuss the question laid before us—the only one—not the question of the preference at all. We are making a contract. There it is.

Hon. Mr. BEIQUE: If the honourable gentleman will allow me, I would say that I am in sympathy with asking the Government to give us a list of articles with information as to the effect in the past on the trade in those articles, and what it will be under the future arrangement. The honourable gentleman asks a general question. I think it is fair to be specific in asking for the information.

Hon. Mr. BEAUBIEN: I am not blaming my honourable friend because he does not share my opinion—he may be right—but I am blaming him, along with the honourable the leader of the Government, for having discussed for an hour and a half a matter that has absolutely nothing to do with the present question.

Hon. Mr. DANDURAND: We have been answering questions.

Hon. Mr. BEAUBIEN: Oh, no, excuse me.

Hon. Mr. BEIQUE: I know that what I said was not altogether revelant to the question, but I was following the course pursued by other members of the House.

Hon. Mr. BEAUBIEN: I have not heard any member on this side of the House discuss the question that has been debated this afternoon. The matter before us was this Treaty. It comes before us at the last moment, in the dying days of the Session.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BEAUBIEN: Yes, it does. We have three days more, and that is all; and this evening we are given the information in the form of a booklet which contains no less than 300 pages, with perhaps 50 items to the page. Very good. For my part, I am not going to take the responsibility of saying to the Government: "You shall not enter into a contract with Belgium." You have that responsibility, and it is a very serious one. But I will tell them that the manner in which they are giving privileges right and left—such privileges as these conceded to Belgium, and which they intend to-morrow to concede to Finland, and which last year they conceded to Switzerland and Italy—shows conclusively what they are driving at, namely, the reduction of the tariff in an indirect way.

Hon. Mr. DANDURAND: Increasing our markets and increasing our production.

Hon. Mr. BEAUBIEN: And increasing the emigration from this country to the tune of 200,000 people a year.

Hon. Mr. DANDURAND: I do not admit that.

Hon. Mr. BEAUBIEN: But it is so. The report of the Immigration Department at Washington shows that from March, 1923 to March, 1924, we lost over 200,000 of our citizens; and still honourable members will get up in this House and point to small discrepancies between one year and another in the importations of woolens and shoes from Great Britain. Do they think that a country losing 200,000 children in one year has the same buying capacity as a prosperous country?

Hon. Mr. DANDURAND: The honourable gentleman cannot blink the fact that we have increased our production to a considerable extent over the preceding year.

Hon. Mr. BEAUBIEN: Importations do not always ruin a country. The manufacturers of Canada must produce; if they produce they must meet competition. Just as soon as importations from any other country reduce the price of their articles, they have to reduce their price, and they will have to continue reducing their price until such time as they close their doors—because, forsooth, they cannot stop manufacturing; they cannot lose their markets and their time; they have to go on and sell, and they undersell, and lose more money as time goes by, until they have to close their doors. What England has been doing with us has been keeping us always under a price which would have given to our workmen a sufficient wage, and to the capitalist who invested his money in manufacturing a decent return. That is why the manufacturer closes his establishment and the workmen go across the line. Let the Government take the responsibility; and I think that in a year from now they will not have to do what they suggest that perhaps I should do after examining the tariff—give a notice to denounce the Treaty.

Sections 2 to 5 inclusive were agreed to.

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.

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

Wednseday, July 16, 1924.

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

Prayers and routine proceedings.

ASSISTANT COMMISSIONER WROUGHTON, R.C.M.P

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

Adverting to the questions asked the Government on the 8th instant, as follows:—

"By the Honourable Mr. Griesbach:—

"July 8—That he will enquire from the Government:—

"(1) Has Assistant Commissioner T. A. Wroughton, Royal Canadian Mounted Police, been granted leave of absence with a view to his retirement to pension or superannuation?

"(2) If so, when will such retirement and superannuation become effective?"

And the replies thereto, made July 14th instant, as follows:

"(1)) Yes, to pension."

"(2) November, 1924."

(1) Is it the intention of the Governement to fill this vacancy by the promotion of a superintendent in the Royal Canadian Mounted Police, or

(2) By the appointment of a person not now a member of the Royal Canadian Mounted Police?

Hon. Mr. DANDURAND: The answer to 1 and 2 is that the matter has not yet been considered by the Government.

GOVERNMENT AGRICULTURAL EXPENDITURES

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What was the total expenditure for Agricultural purposes by the Dominion Government in each of the last ten fiscal years?

2. What is the total proposed to be appropriated for expenditure in the current fiscal year?

3. What is the total capital investment of Canada in Government operated grain elevators?

4. What is the capital investment of Canada in other grain elevators?

5. What total amounts are proposed to be appropriated for expenditure during the current fiscal year for the purposes respectively mentioned in questions 3 and 4?

Hon. Mr. DANDURAND:

Department of Agriculture—

1. 1914-15, $3,656,424.23; 1915-16, $3,749,509.17; 1916-17, $4,034,945.34; 1917-18, $4,335,647.78; 1918-19, $4,403,837.11; 1919-20, $5,313,780.35; 1920-21, $6,084,936.01; 1921-22, $6,475,612.66; 1922-23, $6,990,098.48; 1923-24, 7,600,995.56. Includes Patent Office Salaries from 1914-15 to 1918-19. These average about $90,000 a year.

2. $6,699,385.00.

3, 4 and 5. No information.

Department of Railways and Canals—

1 and 2. No information.

3. $1,498,778.46 to June 30th, 1924.

4. No information.

5. (As respects No. 3) Capital, $425,000.

Department of Trade and Commerce—

1 and 2. No information.

3.

Elevator at	Capital cost on Jan. 31, 1924.
Port Arthur	$ 1,422,245 27
Moose Jaw	1,324,227.25
Saskatoon	1,141,184 14
Calgary	884,456 11

4. No information.

5. Amounts have been included in the estimates for the current fiscal year towards the construction of elevators to be operated by the Government, as follows: Edmonton, $1,000,000; Halifax, $200,000.

Department of Marine and Fisheires—

1. No information.

2. No information.

3. Capital investment by way of loans to Harbour Commissions up to April 30, 1924, as follows: Vancouver Harbour Commission, $2,360,808.99; Harbour Commissioners of Montreal, $7,828,094.46; Quebec Harbour Commissioners, $1,974,299.34.

4. No information.

5. Proposed expenditure so far approved: Vancouver Harbour Commissioners, $965,548.51; Harbour Commissioners of Montreal, $689,802.97; Quebec Harbour Commissioners, $93,911.50.

Note: The amounts showing the expenditure by the different Harbour Commissions on grain elevators include grain-loading jetties which are used for no other purpose, conveyor gallery systems and the elevator buildings and equipment: and do not include any expenditure for general pier or wharf construction.

CANADIAN NATIONAL RAILWAYS STEEL RAIL CONTRACT

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did the management of the Canadian National Railways recently contract with the British Empire Steel Corporation for deliveries of steel rails; and if so what descriptions and quantities, and when are deliveries to be made?

2. At what prices has the British Empire Steel Corporation agreed to deliver rails?

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman. I will

send it over to him, but I am not clear as to the propriety of putting it on Hansard. I have my doubts as to the advisability of the Canadian National Railways doing business of a private nature and communicating information of it to the public.

Hon. Mr. REID: If you hand over the information privately, will the honourable gentleman be at liberty to use it publicly?

Hon. Mr. DANDURAND: One of the questions is: "What is the price paid for rails"? That might be carried along the whole list of purchases. I ask whether the Canadian Pacific Railway would disclose all their prices to the public. I looked at the document as it was leaving my hands, and I saw the price of a certain commodity. I am not quite sure that this information should be given out to the public.

Hon. Mr. TANNER: Of course, this relates to only one item.

Hon. Mr. DANDURAND: But that creates a precedent.

Hon. Mr. TANNER: It is really of no use to me unless it can be made public. It is of no advantage to anybody if I have to retain it in my own mind. I would like to have an understanding. I do not want to disadvantage the Railway Management in any way.

Hon. Mr. DANDURAND: If the honourable gentleman will hand the document back to me, I will postpone the answer and will confer with some of the authorities.

Hon. Mr. TANNER: Of course, I know now.

Hon. Mr. DANDURAND: But there is no objection to my honourable friend knowing.

The inquiry stands.

MIDLAND DOCKS

INQUIRY

Hon. Mr. BENNETT inquired of the Government:

1. What amount is paid annually, if any, for the use or occupation of the docks at Midland, one known as the Great Lakes Company dock and the other the Smelter dock for the storage of coal by the National Railway?
2. What amount has been paid, if any, per year for the loading on cars or locomotives of the said National Company's coal at Midland? Is the loading estimated at a price per ton or how?
3. Who owns the said docks and loaded the said coal?
4. Who on behalf of the National Company tallies the quantities loaded at Midland?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND:

1. No annual payment is made for the use of the coal storage docks at Midland. A price per ton is charged for actual quantity of coal handled and stored.
2. Approximately $13,000 per year. The loading is charged for at a price per ton.
3. No information regarding the ownership of the docks. The Great Lakes Transportation Company, Limited, load the coal into cars.
4. The Agent of the Canadian National Railways at Midland, Ontario.

Hon. Mr. BENNETT: I would call the honourable gentleman's attention to the fact that the question is not answered. I was so shocked when I saw the amount per annum that I did not at first notice that the price for the loading was not stated. Now, that is a point on which I must have information, if you please.

Hon. Mr. DANDURAND: If the honourable gentleman has a partial answer, he can renew his inquiry as to the parts of his inquiry which he believes have not been covered. He might give notice of another inquiry for to-morrow.

Hon. Mr. BENNETT: I was so shocked when I saw the amount you were paying for the docks that I did not at first notice the omission.

Hon. Mr. DANDURAND: My honourable friend says "you."

Hon. Mr. BENNETT: I mean the National Railways.

Hon. Sir JAMES LOUGHEED: Oh, then, you did not buy the docks?

Hon. Mr. DANDURAND: I have had nothing to do with the docks.

INDUSTRIAL DISPUTES BILL

CONFERENCE OF THE TWO HOUSES

The Hon. the SPEAKER presented a message from the House of Commons requesting a free conference with the Senate to consider certain amendments made by the Senate to Bill No. 7, an Act to amend the Industrial Disputes Investigation Act, 1907, to which amendments the House of Commons has not agreed, and upon which the Senate insist; and to consider also any amendment which at such conference it may be considered desirable to make to the said Bill or amendments thereto.

Hon. Mr. DANDURAND moved:

Resolved that a message be sent to the House of Commons to acquaint that House that the Senate

accedes to their request for a free conference to consider the Bill No. 7, an Act to amend the Industrial Dispute Investigation Act, 1907, and any amendments which at such conference it may be desirable to make thereto; and have appointed Honourable Messieurs Ross (Middleton), White (Inkerman), and Black as managers on their part at the said conference.

The motion was agreed to.

INDIAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 172, an Act to amend the Indian Act.

He said: Honourable gentlemen, this Bill contains a few amendments to the Indian Act. One of them has for its object the bringing under the administration of the Act of the Eskimos of the North. The Act is also amended in regard to the care of property of insane Indians; and some amendments are made with respect to the disposition of deceased Indians' property. Another rather important amendment to the Act is one dealing with the cancellation of leases. It will be remembered that two years ago we passed a validating clause in connection with the cancellation of leases as affecting timber, mining, etc. It is found that the same difficulty has been encountered in regard to the leasing of lands belonging to the Indians, and where sales of Indian lands have taken place. Where, as frequently happens, there has been a failure to complete the sale, there has been some doubt whether or not the Department has taken all necessary precautions to validate the cancellation of the sale.

Hon. Mr. BRADBURY: I would like to ask the honourable Minister if the Indian Department has not absolute control of all Indian lands. As I understand, an Indian cannot dispose of any portion of his land without the consent of the Indian Department. Is not that the law, without this amendment at all?

Hon. Mr. DANDURAND: If my honourable friend will await the Committee stage, I shall be able to give him the information.

Hon. Mr. PLANTA: I take it from the honourable gentleman's remark that he intends having this Bill referred to Committee of the Whole.

Hon. Mr. DANDURAND: Just now.

Hon. Mr. PLANTA: I have an amendment which I wish to put forward.

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. Blain in the Chair.

Hon. Mr. DANDURAND: I ask leave to have Mr. Williams come to the floor.

On section 1—Superintendent General to have charge of Eskimo affairs:

Hon. Mr. DANDURAND: The Eskimos have invariably been dealt with by the Department of Indian Affairs, like the aboriginal Indians in remote sections of the Dominion, although there is nothing in the Indian Act, or any other Act, expressly providing for this. The purpose of this amendment is to give the Department charge of Eskimo affairs, as a matter of administration, but not to make the Eskimos wards of the nation.

Hon. Sir JAMES LOUGHEED: Where is the authority for the Superintendent General of Indian Affairs to enter upon new responsibilities of that class? Are the Eskimo Indians?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: Do they come within the Indian Act?

Hon. Mr. DANDURAND: They did not, but the Eskimos could with the greatest facility be attended to under the organization of the Department of Indian Affairs.

Hon. Sir JAMES LOUGHEED: I quite realize that, but it seems to me from the legal standpoint there should be a substantive section in the Act declaring that the Eskimo are Indians for the purposes of this administration.

Hon. Mr. DANDURAND: That would perhaps raise the question of their status. It is not the desire of the Department to make them wards or to treat them on an equal footing with the Indians, or as Indians.

Hon. Sir JAMES LOUGHEED: That may be, but my honourable friend does not appreciate the point I make. It is declared that "the Superintendent General of Indian Affairs shall have charge of Eskimo Affairs." Now, if they are not Indians within the terms of the Indian Act, you might as well say that the Superintendent General of Indian Affairs should have charge of the population of the Province of Quebec. You require a pronouncement of authority, it seems to me, to bring them within the charge of the Superintendent General of Indian Affairs. You require a distinct declaration in the Indian Act to that effect.

Hon. Mr. DANDURAND: The Department has been under the impression that this amendment would suffice:

The Superintendent General of Indian Affairs shall have charge of Eskimo affairs.

Hon. Mr. BARNARD: What sort of affairs are contemplated?

Hon. Mr. DANDURAND: More especially the policing, the relief, and schools.

Hon. Sir JAMES LOUGHEED: Suppose there is any resistance to this authority, and physical power is used to enforce this authority. If there is no specific statutory declaration as to the powers of the Superintendent General in this respect, bringing the Eskimo under his authority, how will you defend the exercise of physical force?

Hon. Mr. DANDURAND: I spoke of the policing of their territory, but that has been more particularly confided to the Mounted Police. The desire is, under this Act, to give sufficient authority to the Superintendent General of Indian Affairs to go to the relief of the Eskimo.

Hon. Sir JAMES LOUGHEED: I quite agree with the desirability of it. The only point is, I do not think that in this way you have taken to yourselves the statutory authority to do it.

Hon. Mr. DANDURAND: Without giving greater authority to the Department, we might pass this clause, which is at all events harmless—

Hon. Sir JAMES LOUGHEED: Oh, yes. I am not objecting to the policy of it.

Hon. Mr. DANDURAND: And it will be for the Department, as they get nearer the Eskimo and as the necessity arises, to come again to Parliament with a request for the enlargement of their powers.

Section 1 was agreed to.

On section 2—administration of Indian estates:

Hon. Mr. DANDURAND: There are only two words added to this section—the words "or insane," so that the new section will read:

The Superintendent General may appoint a person or persons to administer the estate of any deceased or insane Indian, and may make such general regulations and such orders in particular cases as he deems necessary to secure the satisfactory administration of such estates.

Section 2 was agreed to.

On section 3—inheritance of Indian dying without issue:

Hon. Mr. DANDURAND: The word "Indian" has been struck out in the fourth line of section 28 to enable the nearest of kin who do not happen to be Indians to share in the distribution of the estate of their deceased relative who may be an Indian. For example, an Indian woman who marries a white person ceases to be an Indian under the Indian Act, and as this section now stands would not be entitled to share in the estate of a deceased brother or sister who remained an Indian but died leaving no wife, husband or issue. Under the Indian Act also a white woman who marries an Indian becomes an Indian, and if she were to die intestate leaving no husband or issue, her sisters, who are not Indians, could not share in her estate.

This new section enables the nearest of kin, whether they be Indians under this Act or not, to share in a deceased Indian's estate, but does not work any injustice to any one and does not in any way effect the band's interest in any property. In the distribution of such an estate the interest of the deceased in lands on a reserve must be sold to a member of the band only, as provided by subsection 2 of section 25, the proceeds of which would be distributed among the nearest of kin.

The new section 28 will read:

In case any Indian dies intestate without issue, leaving a widow of good moral character, all his property of whatever kind shall devolve upon her, and if he leaves no such widow the same shall devolve upon the nearest of kin to the deceased: Provided that any interest which he may have had in land in a reserve shall be vested in His Majesty for the benefit of the band owning such reserve if his nearest of kin is more remote than a brother or sister.

Hon. Sir JAMES LOUGHEED: The peculiarity of that clause is that it all follows on the morality of the widow. Apparently if the widow is not of good moral character the devolution of the estate is changed, and it devolves upon the nearest of kin to the deceased. This seems to me absurd. She takes the property by reason of being a widow, and it all depends on the morality of the widow.

Hon. Mr. DANDURAND: But that is not the part of the Act which is amended.

Hon. Sir JAMES LOUGHEED: My honourable friend, if he looks at it, will find that it reads as follows:

Leaving a widow of good moral character, all his property of whatever kind shall devolve upon her.

If he leaves no such widow—and you have emphasized the word "such," which shows that she must be a widow of good moral character—then his property devolves on the nearest of kin.

Hon. Mr. POPE: Who is to inspect as to the widow's good moral character? Is it the Minister of the Crown, or who is it?

Hon. Mr. DANDURAND: He must be a seasoned inspector because the Act was passed in 57 and 58 Victoria. Here is the Act as it has stood from then to this date:

In case any Indian dies intestate without issue, leaving a widow of good moral character, all his property of whatever kind shall devolve, etc.

Hon. Sir JAMES LOUGHEED: That only establishes that all widows are of good moral character since 57 and 58 Victoria, apparently; but now we have reached 1924, and there may be an exception to this.

Hon. Mr. DANDURAND: The only amendment which is made to this clause appears to be the insertion of the word "such".

Hon. Sir JAMES LOUGHEED: Yes, and that is what makes all the mischief.

Hon. Mr. DANDURAND: The ex-Minister who had the administration of Indian affairs suggested that.

Hon. Sir JAMES LOUGHEED: I move that "such" be stricken out.

Hon. Mr. DANDURAND: The word "such" would have this effect, that it will permit the natural heir to enjoy the property if such a case happens, of the widow being set aside because of her immoral character.

Hon. Mr. BRADBURY: Who is going to decide?

Hon. Sir JAMES LOUGHEED: That should not determine the right to property.

Hon. Mr. DANDURAND: That would be decided by the Superintendent General of Indian Affairs.

Hon. Mr. BRADBURY: How would he know?

Hon. Mr. DANDURAND: I believe there is some merit in this amendment.

Hon. Sir JAMES LOUGHEED: Is it going to keep the Indian woman straight?

Hon. Mr. DANDURAND: The question arises, what would happen if the Indian left a widow of immoral character?

Hon. Sir JAMES LOUGHEED: Make a special provision giving some discretion to a properly-qualified officer to deal with that peculiar situation. To say that a devolution should be changed by reason of the widow not being of good moral character would do violence to every principle of real property.

Hon. Mr. DANDURAND: This section modifies the Act in such a way as to allow the devolution to the nearest of kin if the Indian dies leaving a widow adjudged to be of immoral character.

Hon. Sir JAMES LOUGHEED: Under this amended Bill the next of kin would at once realize that by defaming the character of the widow the property would become theirs. There is no doubt about that.

Hon. Mr. GRIESBACH: This Act as originally passed was based on the marriage customs that prevailed in that day, when polygamy was quite common, and there was no religious ceremony at all: an Indian simply took a woman and went off with her. One would be curious to know what would happen in the case of an Indian leaving two wives, one of whom was adjudged to be of moral character and the other to be of immoral character.

Hon. Mr. DANDURAND: Of course, I do not recall what was done before the original Act was passed, but I understand that now an Indian can have but one lawful wife.

Hon. Sir JAMES LOUGHEED: The law as it stood was good enough. I move that the word "such" be stricken out.

Hon. Mr. DANDURAND: Of course it provides for a case that was unprovided for by the Old Act.

Hon. Sir JAMES LOUGHEED: But it destroys the whole symmetry of the Act, so to speak. It is a specimen of the worst kind of drafting, and it will lead to endless confusion. If it is desirable that there should be a supervision kept over the character of Indian wives, let an officer be appointed to administer the estate of an immoral woman. She must have a living: why should she be left destitute when her husband dies, because her morality may be attacked by some one who has a design of taking the property?

Hon. Mr. DANDURAND: My honourable friend will realize that if this section is not amended, the old section will remain, which provides for depriving her.

Hon. Sir JAMES LOUGHEED: No, it does not.

Hon. Mr. DANDURAND: Yes, here it is:

In case any Indian dies intestate without issue, leaving a widow of good moral character, all his property of every kind shall devolve upon her, and if he leaves no widow the same shall devolve upon the Indian nearest of kin to the deceased: Provided that any interest which he may have had in land in a

reserve shall be vested in His Majesty for the benefit of the band owning such reserve if his nearest of kin is more remote than a brother or sister.

What does that mean? If he leaves a widow not of good moral character, she does not inherit it.

Hon. Sir JAMES LOUGHEED: No; it will devolve upon her if she is of good moral character; that is the old Act. If he leaves no widow, then it goes to the next of kin.

Hon. Mr. DANDURAND: But what about the case when the authorities have decided that she is not of good moral character and cannot inherit?

Hon. Sir JAMES LOUGHEED: It does not make any difference; those words have no meaning in the Act. It provides that if he leaves a widow, practically she takes the properity; and if he leaves no widow, it goes to the next of kin. The qualifying words would not be determined by a court as having any meaning.

Hon. Mr. DANDURAND: But what does the Act say? If he leaves a widow of moral character, she inherits. It means that if she is not of good moral character, she does not inherit.

Hon. Sir JAMES LOUGHEED: No, it does not means anything of the kind.

Hon. Mr. DANDURAND: The Department thinks it does, and there are several cases. This Bill comes to us from the Commons. Apparently our sister House has thought that there was such an interpretation put upon the Act.

Hon. Sir JAMES LOUGHEED: We are only losing time discussing Tweedledum and Tweedledee. I would suggest that a clause be provided to deal with that very case, that if a widow is not of good moral standing some officer should administer her estate, if she is entitled to it. Why should she be deprived of her property because of her morals? It would be putting the woman out on the street and giving her property to the next of kin.

Hon. Mr. GRIESBACH: That Act was provided at a time when the Indians were passing from a state of savagery to a state of tutelage. If we want to make the laws consonant with those of the white man it would be well to strike out those words with regard to good moral character, and also the word "such", so that if an Indian leaves a widow she gets the property, and if he leaves no widow it goes elsewhere. In that way we would bring the law along with the alleged development of the Indian.

Hon. Mr. DANDURAND: But what would the honourable gentleman say if it were found by the Superintendent General of Indian Affairs or the agent on the spot that she had been living for a number of years with another Indian, and bringing up another family with that other Indian.

Hon. Mr. GRIESBACH: With regard to that, there are two sorts of Indians—the Indian who has nothing to leave and the one who has something to leave. An Indian who has something to leave ought, before he dies, to be advised by the agent that he should make a will. But if we approach the question from the point of view of the evolution of the Indian from his position of tutelage to that of the white man, the stage of development varies as between Eastern and Western Canada. In Eastern Canada the Indian is well on his way, but in other places he is not so far on, and in the remote parts of Alberta he is still pretty wild. It seems to me that the law ought to advance with the advance of the Indian towards civilization, until the time comes when he is subject to the same laws as we are.

Hon. Mr. DANDURAND: We will suspend this clause.

Section 3 stands.

On section 4—cancellation:

Hon. Mr. DANDURAND: This amendment is to embody in the Act what has always been the practice with respect to cancellation.

Hon. Sir JAMES LOUGHEED: Cancellation of what?

Hon. Mr. DANDURAND: It refers to sales that have been abandoned, or on which payments have been discontinued.

Hon. Sir JAMES LOUGHEED: Sales to whom, or by whom?

Hon. Mr. DANDURAND: By purchasers of land.

Section 4 was agreed to.

Section 5 was agreed to.

On section 6—procedure where wife living apart:

Hon. Mr. DANDURAND: Applications have been made for enfranchisement by Indians whose wives have deserted them or are living apart from them. As there is no common interest in such cases between husband and wife, they living independently

of each other, it is not considered proper that her future should depend on any action the husband may be disposed to take in the matter of enfranchisement. There is a proviso added to the old section as follows:

Provided that where a wife is living apart from her husband, the enfranchisement of the husband shall not carry with it the enfranchisement of his wife except on her own written request to be so enfranchised.

Section 6 was agreed to.

On section 7—enfranchisement of Indians, section 122A revived:

Hon. Mr. DANDURAND: The Department has been enfranchising Indians under the provisions of section 122A as enacted by section 6, chapter 26 of the statutes of 1918, from the time it was enacted to the present time on the assumption that this section was still in force. We are now advised that this section was rescinded by section three, chapter fifty of the statutes of 1920. It is desired that the said section 122A shall be maintained and that anything done purporting to be under the provisions thereof shall be validated.

Hon. Mr. POPE: I would like to know under what conditions the marriage ceremony takes place. Who conducts it?

Hon. Mr. DANDURAND: They are mostly marrying now like white people. In all the reserves there are clergymen.

Hon. Mr. POPE: And in the North among the Eskimo?

Hon. Mr. DANDURAND: Not in the Arctic regions. I suppose the old custom would prevail there.

Hon. Mr. POPE: Yes, that is a good idea.

Hon. Mr. PLANTA: Mr. Chairman, I am not quite sure whether the amendment which I have to propose should be in the form of an additional subsection to section 7, or as a separate section. I would like to submit it as a further subsection. It reads:

No words contained in this Act or any other Act of the Parliament of Canada shall be construed as destroying or in any way prejudicially affecting the rights of the Indian tribes of British Columbia.

I had intended moving this amendment when Bill 191 was under consideration; but honourable gentlemen will recall that when the rules were suspended that Bill was put through three stages in a night sitting. I had not realized at the time that the rules were suspended, and left the Chamber before the Bill was called. Consequently I had not an opportunity of presenting this amendment.

Notwithstanding the fact that the Minister who presented Bill 191 assured the Indian tribes of British Columbia that that Bill would not in any way prejudically affect their rights, the Indians are very apprehensive that it does affect their claim, which is now before the Privy Council. This is a very simple amendment, and, if possible, I would like the House to accept it so that the minds of the Indians may be set at rest on that score.

Hon. Mr. DANDURAND: The honourable gentleman intended to move this as an addition to the Act which we passed concerning the agreement between the province of Ontario and the Dominion of Canada?

Hon. Mr. PLANTA: Yes.

Hon. Mr. DANDURAND: I do not know what connection there could possibly be between an arrangement concerning Indian lands in Ontario and the rights of the Indians in British Columbia. But since that Act has been passed, my honourable friend now brings this forward as an amendment to the Indian Act, because it would apply generally to the Act.

Hon. Sir JAMES LOUGHEED: That would question the whole of the Indian legislation that we now have on the Statute Book.

Hon. Mr. DANDURAND: It has such far-reaching effects that I hesitate to express an opinion upon it in connection with this Bill. I quite realize that if we were dealing with the Indian tribes of British Columbia such an amendment would be germane to the Bill, and I would suggest to my honourable friend that he bring it up on some such occasion. At present I am absolutely in ignorance of what it may cover. Have we in the past legislated in such a way as to create suspicion in the minds of the Indians of British Columbia? I do not know. I have a faint recollection of some legislation which concerned the Indian tribes of that province, but my memory is not good enough to recall on the spur of the moment what it covered.

Hon. Mr. PLANTA: It is a long story, and there is not sufficient time now to repeat it. The Indians have been advised that Bill 191 does affect them.

Hon. Mr. DANDURAND: But how can the arrangement between the Dominion of Canada and the Province of Ontario concerning Indian lands in Ontario have any effect upon the status or rights of the Indian bands of British Columbia? That is what I cannot understand.

Hon. Mr. POPE: It might be construed as a general principle of the Government in regard to lands. It might affect seriously the opinion of a court in which the question was being argued, as such a question is now being argued before the Privy Council. They could very easily say that the principle involved is the law in some of the provinces of Canada in dealing with Indians, and that therefore it is acknowledged by the Parliament of Canada. I would suggest that the amendment should be confined to this Act, and should not cover other Acts.

Hon. Mr. REID: Would it not be well to let the amendment stand as a notice of motion, and in the meantime the honourable gentleman can find out what position we are in and whether there is any way of putting the amendment into this Bill.

Hon. Mr. DANDURAND: I may say that I cannot accept the amendment. It is of such a general character that it may have consequences that I could not foresee. Certainly it is not germane to this Bill.

Hon. Sir JAMES LOUGHEED: In my judgment it would throw a cloud on all the legislation we have passed touching the Indians of Canada.

Hon. G. G. FOSTER: Would it meet the wishes of the leader to strike out the words "or any other Act." That would get over the objection.

Hon. Sir JAMES LOUGHEED: No, it would not. My honourable friend perhaps is not aware of the fact that certain mischievous theories are being promoted by certain persons among the Indians on different reserves in Canada. That practice should be stemmed at once; in fact, most drastic legislation should be passed to prevent agitators advocating legislation of this nature.

The theory has been advanced that the Indian tribes have distinct sovereign rights, and that all the legislation of Canada in regard to them is a usurpation of those rights. We have been legislating upon these subjects since we have been a Dominion, and to admit for a moment the slightest doubt as to the right of Canada to legislate in such a way would be to promote most mischievous ideas in the minds of those who are the wards of the nation.

The proposed amendment of Hon. Mr. Planta was negatived.

The section was agreed to.

Progress was reported.

FEEDING STUFFS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 238, an Act to amend the Feeding Stuff Act.

He said: Honourable gentlemen, we had an amendment to this Act last year, with the object of securing for the purchaser mill feeds in their absolute purity. That apparently has been accomplished; but in the administration of the Act by the Feed Branch it has been found that the thirty or forty manufacturers of feeding stuffs throughout the country are in doubt as to whether they have a right under the amended Act to incorporate bran and shorts in such mill feeds. The point was submitted to the Department of Justice, who decided against the right of mixing. Consequently, a number of deputations from the manufacturers have asked for a change in the law to permit them to do as they have done in the past in regard to poultry and calf meals and similar feeds. The purpose of the proposed amendment is to grant them such permission; but in no sense is it intended to interfere in the slightest degree with the right of buyers to obtain mill feeds in their absolute purity as they have been doing during the past year.

The motion was agreed, 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. Barnard in the Chair.

The Bill was reported.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

CHINA CLAY-ST. REMI D'AMHERST BRANCH LINE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 64, an Act respecting the construction of a Canadian National Railway line from the end of the China Clay Branch to St. Remi d'Amherst in the Province of Quebec.

Hon. Mr. Bennett in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, this is the last branch line with which we have to deal. It covers but two miles. I was somewhat surprised at the Canadian National Railways asking power to build these two miles, because it seemed, since

they had built eight miles from Huberdeau station westward, that they could have finished their work and reached the village of St. Remi d'Amherst. It took me some time to understand that there were some entanglements and some difficulties in their way. It was the ex-Minister of Railways (Hon. Mr. Reid) who unfolded the story to me.

A group had obtained a charter in Quebec to build from a point on the Rivière Rouge, taking in on the way these 10 miles from Huberdeau to St. Rémi d'Amherst, and continuing northwest. They made arrangements with the Canadian Northern, or the Mackenzie and Mann system, to build those ten miles. The Mackenzie and Mann system built eight miles of the ten, but they found that the right of way was still held by the promoter of the provincial company and they stopped until they could obtain the title to the land. I understand that they did obtain that right of way. However, that provincial company which had obtained a land grant for the building of those ten miles, thought that it should continue and build those two miles and be in a position to claim a part or the whole of the land grant for the building of the ten miles, and they set about securing the right of way for the two further miles and doing the grading. I do not know to what extent they did grade those two miles. The Canadian National Railways can either proceed to build the two miles on that graded section, or can leave it aside and build on their own right of way.

The honourable gentleman from Grenville (Hon. Mr. Reid) desires to protect the Canadian National Railways against any unconscionable claim by those parties who have graded the last two miles, and who might demand too great a price for that section. Of course, the Canadian National Railways are not at their mercy, because they can build alongside. Still they may find it in their interest to purchase the work that has already been done on those two miles.

Hon. Sir JAMES LOUGHEED: Yes, but who gets the land grant?

Hon. Mr. DANDURAND: There was a renewal of the Act. I do not intend to relate the whole story of the negotiations and difficulties of that provincial company. It is not worth while occupying the time of the Senate with it. The Assistant Attorney General of the Province of Quebec has sent a telegram stating that the Department is of opinion that the subsidies—I suppose the land grant subsidy is meant—allowed to the "Chemin de fer de la Rivière Rouge sont périmées."

Hon. Mr. REID: Have lapsed.

Hon. Mr. DANDURAND: Have lapsed. That is the opinion of the Attorney General's Department of the Province of Quebec. But I understand that my honourable friend has an amendment to move.

Hon. Mr. REID: Honourable gentlemen this Bill has been on the Order Paper for some time. I almost feel that in its present form it should not pass the House at all. In fact I think the Bill is one of those that might have been dropped. However, as it is a question of only two miles, I will not take the responsibility of suggesting that it be rejected; but the reason that I have taken an interest in the matter is this. When I was Minister this matter came before me—

Hon. Mr. DANDURAND: But why need the honourable gentleman take the time of the House to tell the story? If he moves an amendment which I accept, that will end the matter.

Hon. Mr. REID: Certainly.

Hon. Sir JAMES LOUGHEED: Still we may wish to see whether we will accept the amendment or not.

Hon. Mr. DANDURAND: Of course, the honourable gentleman may speak on his amendment.

Hon. Mr. REID: Perhaps I had better take a few minutes to tell the story as I remember it.

The Canadian Northern Railway Company, when it was owned by Mackenzie and Mann, constructed eight miles of railway from Huberdeau to China Clay. The reason for the construction of that line was the expectation that the China Clay property, if developed, would bring a great deal of freight to the Canadian Northern. A man named Broderick owned the property or was interested in it with Sir William Mackenzie, and the contract for the construction of the ten miles of railway was given to Broderick. The Canadian Northern paid to him every dollar for the right of way and the construction, so far as it was done; but when eight miles had been constructed it was found that Broderick, or some persons including Broderick, had taken out a charter on exactly the same line. They had got the Legislature of the Province of Quebec to give them a grant of 2,000 acres per mile. This was the grant:

To the River Rouge Railway Company, a subsidy of two thousand acres of land per mile, not convertible into money, to contribute to the expense of building a line of railway, about eighty miles in length, from

Grenville, Argenteuil county, to a point on the line of the Canadian Pacific Railway, in the county of Labelle.

Such subsidy may be applied to the section of eight miles already built, from Huberdeau to the Canadian China Clay Mines, and to its immediate extension to the village of St. Remi d'Amherst, in the county of Labelle.

I am telling the story as it was told to me by the Canadian Northern Railway Management at the time I was Minister of Railways and Canals. When they found that the title had been taken by others, they immediately stopped at the eight miles and they compelled the parties to hand over the title of the eight miles. They would have gone on with the other two miles if they could have succeeded in getting the Quebec Government to transfer the subsidy to them, but the Quebec Government would not agree to that. The Canadian Northern officials at that time tried in every way to get the Quebec Government to agree, but the Government always insisted on giving the subsidy to the Rivière Rouge Railway Company.

In October, 1923, less than a year ago, the Canadian National Railway System was established, and the Canadian Northern lines were handed over. Although the Quebec Legislature knew this, and knew that there were eight miles already built there, they passed another Act two months afterwards, in December, 1923, reviving the subsidy that had previously lapsed. It may be true that it has again lapsed, but, if so, it has lapsed only within the past few months, and at the next meeting of the Legislature the subsidy of 2,000 acres per mile, given to Broderick who never spent one dollar in connection and his associates, with the line, may be revived. The purpose of my amendment is to try to prevent those parties from getting a subsidy on account of a railway that has been built by the Canadian Northern or the people of Canada. If there is to be any subsidy at all it should go to the Canadian National Railway.

There is another point in connection with this Bill. It is true the Quebec Government have dropped the subsidy, but I think I can see in this present Bill another means whereby those parties may get the value of the subsidy, and I want to try to prevent that. I believe the interested parties are now doing the same as was done when I was Minister of Railways and Canals. All the pressure that could be put on any Government was used to get those two miles built. It would practically mean that the subsidy would go to these other parties. Of course we would not stand for that. A means whereby those people might accomplish their purpose would be to let the subsidy go, but fix such a price for the construction of the railway as would enable them to obtain all their claims, which are unjust and should not be listened to for one minute by the Canadian National Railways or the Government. Any man in the Canadian National Railways, from Sir Henry Thornton down, who has looked into the question, will admit that this railway would cost only half of the amount that has been placed in the Estimates. Of course, pressure will be put on the Canadian National Railways and the Government to consider all these claims, and they will be put in, and if we pass the amount that is provided for in the Bill we may as well make up our minds to allow someone to get a present of $50,000 or $60,000 out of the Canadian National Railways.

Now, let me first explain the situation. The right of way for the two miles had been practically given to those parties, but let us assume that they did pay something for it. According to the information I have, the construction of the two miles in that part the country would cost but very little. A little grading has been done on that part of the road—very little. I was estimating the value of what has been done at $1,500 per mile, or a total of $3,000. But I will do better than that, rather than have anyone say that I am trying to stop the construction of this road. I am going to insert in my amendment an amount which every honourable member of this House, or anyone in connection with the Canadian National Railways Management, will admit is a fair figure. The proposed branch is just an extension of the Huberdeau line. It is not graded like a main line. Anyone knows that the grading of some of these branch lines is not heavy grading. Second class ties are used, and in almost all such cases—and, I am satisfied, on these two miles —they use sixty-pound rails, and cull rails at that, fit only for sidings. When I was in the Department of Railways and Canals I asked what it would cost to buy the right of way and complete it. The amount was less than $20,000 per mile, and I am satisfied that that would to-day cover anything that has been done in connection with those two miles. As further evidence that $20,000 per mile would be a fair price, I will cite the estimated cost in the case of other branch lines. We have had presented to us proposals for the construction of about 20,000 miles of railway. In each Bill there is a statement showing what would be the cost of construction. I have the list of Bills here, but will not read them all. The first is Bill No. 31. The proposed

line is entirely new. Remember that, according to the statement on the Bill, nothing has been done. That is the road which connects the Huberdeau line with Montreal. It has been stated that on the proposed 12 miles of line there would probably be some heavy grading, and that the cost would be $29,750 per mile.

Hon. Mr. DANDURAND: No; the honourable gentleman is in error. That proposed line is down in the plain. The honourable gentleman from Inkerman (Hon. Mr. White) knows the ground. It is very even; whereas those two miles are in a mountain section.

Hon. Mr. REID: I understood that on the two-mile extension there was nothing but level ground.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. REID: And it was graded.

Hon. Mr. DANDURAND: Yes, but it is in the mountains.

Hon. Mr. REID: At all events, the estimated cost of the line covered by Bill 31 is $29,750. Now let us take the other lines.

The next is Bill 33: it provides for 101 miles at an estimated cost of $21,295 per mile.

Bill No. 41 shows $13,636 per mile. The proposed line is on the prairie, and some grading has been done.

Bill No. 42: some grading has been done, and the estimated cost in $13,090 per mile.

Bill No. 43: 22 miles graded; cost to finish, $17,182 per mile.

Bill No. 48: there are 23 miles graded; estimated cost, $22,677 per mile.

Bill No. 50: 4 miles; cost, $22,308.

Bill No. 52: 42 miles graded; cost $18,520 per mile.

Bill No. 53: 35 miles, cost, $18,543 per mile.

Bill No. 55: no grading has been done; cost, $25,000 per mile.

Bill No. 61: no grading at all has been done; cost, $23,462 per mile.

Bills 26, 30 and 33 we did not pass. Then we come to Bill No. 34: nothing done at all; cost, $44,750 per mile.

Bill No. 35: 55 miles; cost, $13,396 per mile.

Bill No. 40: 6 miles; cost, $21,176 per mile.

Bill No. 45: nothing done; cost per mile, $23,840.

Bill No. 49: nothing done; cost per mile, $65,881; but that is on account of a long bridge across the Saskatchewan, which Mr. McLeod said would cost a million and a half of dollars. Deduct $1,500,000 and you have an average cost of $30,000 per mile.

Bill No. 54: nothing done; cost per mile, $32,226.

Then we come to this Bill, which covers two miles, and it is costing $52,500 per mile, or, with the 15 per cent allowance, $60,000 a mile will be paid for these two miles if we let this Bill go through. Now, I submit that if all those other lines cost on an average from $20,000 to $30,000 per mile, there must be a nigger in the fence if we have to pay $60,000 a mile for this new line.

Hon. Mr. DANDURAND: There is a mountain.

Hon. Mr. REID: Of course, there is a mountain in this, and it is the mountain I am trying to overcome.

Hon. Mr. DANDURAND: The mouse is issuing from the mountainous imagination of my honourable friend.

Hon. Mr. REID: Well, the honourable leader knows that the amendment I intend to move was one that I took up with the Canadian National Railway officials, and they approved of it.

Hon. Mr. DANDURAND: I am not objecting. Let my honourable friend read his amendment.

Hon. Mr. REID: If the honourable leader would agree to pay the proper cost of construction, and not allow some person or persons to get $50,000 or $60,000 out of this money, instead of the land grant, then I would not object. The only argument I have heard is: "Why should not the 2 miles be allowed? Just think of it, the people have to go 2 miles to this railway."

Hon. Mr. DANDURAND: No; 10 miles.

Hon. Mr. REID: But 8 miles are already built. Of course they have not passenger traffic, but they can take their freight, as they have shipping facilities within 2 miles of the village. Honourable gentlemen will agree that there are hundreds of cases of a railway running within 2 miles of a village, and there is no complaint whatever. I could object to the extension of the 10 miles, because I do not want to load up the Canadian National Railways unduly. I want to see that railway successful; that is why I am inclined not to object to the building of the 2 miles. There will be $120,000 expended; bonds will be issued; this 12 miles of road will never pay even running expenses and we will have for all time to pay interest on those bonds. In addition to that, if we run it 2 miles further we will have to build a

station and pay a station agent, and with the salaries that must be paid at present, a great deal would be added to the cost of operation. Then there would have to be at least one passenger train each way per day, with all the expense involved in connection with the station and officials.

However, I am not going to have it said that I am objecting on account of 2 miles; but I am going to do my best to prevent the possibility of anyone getting more than what is actually necessary to construct the 2 miles. I want to prevent any political pressure being put on the Government or the Canadian National Railways to cause them to pay claims which are unjust. Even the present Minister of Railways and Canals has resisted those claims up to the present time. While I was Minister of Railways, and since then, I never met an official of the Canadian National Railways who would admit that this road would cost any such amount as is stated, or who would say that the amount I suggest is not reasonable payment of any claims that might be made in connection with those two miles of road.

I believe that the Canadian National Railways should not be compelled to pay more than $3,000 for all those claims, but I am adding $2,000 so that there may be no possibility of doing injustice to anyone who has a good claim in connection with the grading of that road. I propose first to submit my amendment as to claims, and then I will move in connection with the cost. My amendment is:

The commencement of the construction of the said line of railway is subject to the following conditions:

(1) Prior execution by the proper authorities of the Government of Quebec of assurances satisfactory to the Governor General in Council that either no subsidies in land or in cash will be granted or paid in aid of the construction of a line of railway between Huberdeau and St. Rémi d'Amherst under any legislative authority to any company or person, except to the Canadian National Railway Company if granted.

(2) Prior adjustment of certain right of way claims as follows: Should the location of the said line of railway be approved by the Governor-in-Council upon the location of the line of railway of the River Rouge Railway Company, or the Rouge River Railway Company between China Clay and St. Rémi d'Amherst, the compensation to be paid by the Canadian National Railway Company in respect of the acquisition of an unencumbered title to such right of way and in respect for any prior construction thereon including claims and demands of every description whatsoever arising out of such former construction, shall not exceed $5,000 or such smaller sum as the Exchequer Court of Canada may award in the event of the failure of the parties to agree.

The meaning of this amendment is that I do not wish the Canadian National Railways to ask for any subsidy or favours from the Quebec Government; but if a subsidy is to be paid, we should get it, because we built those 10 miles, and it should not go to the individuals who are trying to get those 2 miles built so that they can use their influence with the Quebec legislature to secure the land grant of 2,000 acres per mile.

Hon. Mr. SCHAFFNER: What Government pays this subsidy?

Hon. Mr. REID: The Quebec Government gives 2,000 acres per mile.

Hon. Mr. SCHAFFNER: Then I do not understand what we have to do with it.

Hon. Mr. REID: It is simply this, that we are building that line, whereas the other parties have not put a dollar into it. They got the title of the right of way put in their own names, but the deal was put through wrongfully, and they were able to get the Quebec Government to grant 2,000 acres per mile. If we are going to build the railway we are entitled to that subsidy.

Some honourable gentlemen may say, "Why limit the amount to $5,000? Why not put the whole matter before the Exchequer Court?" Well, we have a precedent for that. I remember that when the Grand Trunk Railway settlement was going through, we limited the payment to a definite amount. Unless we limit this, there will be large claims for property, and the Canadian National Railways might have to concede very much more than the amount fixed. So I have limited the amount to $5,000, which is surely every dollar that has been expended by anybody.

I move that amendment now, and when we reach the schedule I intend to move a reduction of the amount of cost of the 2 miles.

Hon. Mr. DANDURAND: Honourable gentlemen, what the honourable gentleman desires is to prevent any land grant being given for the construction of those 2 miles except to the Canadian National Railways; and, if the right of way, which has been partly graded, is purchased by the Canadian National Railways, that they should not pay too high a figure. This is somewhat special and exceptional legislation, but I believe it will not entangle the railway in the building of the line; and since I see no difficulty with the Quebec Provincial railway, judging by the telegram I have in my hand, which declares that the subsidies have lapsed, I am disposed to accept this amendment. The necessity for the building of those 2 miles

is so great in that district that I will stop at no question of procedure to secure their construction. St. Remi d'Amherst, which is to be served, is a village of importance, far away from any railway.

Hon. G. G. FOSTER: What is the population?

Hon. Mr. DANDURAND: I can get that. This extension on a distance of two miles will put in operation the eight miles already constructed between Huberdeau and the Canadian China Clay, and will serve a well-developed region as well as the interest of the railway Company.

The actual situation of the Village of St. Rémi d'Amherst and the surrounding country is that the district is without any railway facilities. It lies north of the C.P.R. North Shore Line, a distance of about forty miles, and south of the Mont-Laurier Branch of the same company, a similar distance. St. Rémi d'Amherst is well linked with the other surrounding municipalities by public highways. The main localities which will be served by this extension are St. Rémi d'Amherst, Lake Windigo, the township of Ponsonby, Lake des Sables, the Villages of St. Emile de Suffolk, Namur, Cheneville, the townships of Amherst, Ponsonby, Suffolk and Addington, Hartwell and Preston, forming an area of about 30 square miles, which have been opened up for over forty years and comprise a population of at least 10,000.

This region could not make use of the actual railway line on account of bad roads in a mountainous district for a distance of fifteen miles between St. Rémi and Huberdeau. This extension will solve the problem which has been encountered by the population, for the solution of which petitions have been sent to public authorities for over fifteen years.

Many industries have been waiting for a few years for their natural development. There are the following saw mills actually in operation: Eustache Thomas, David Chalifoux, Joseph Labonté, Monsieur Frinette, Paul Thomas, D. Chaloux, A. Spencer. Each of those saw mills has a capacity of at least two million feet of lumber, and are already in full operation, awaiting since last year the construction of this branch line. Besides there are several mines in operation: two graphite mines, one granite, one kaolin, without mentioning several dairy industries already established and capable of large increase.

Mention should also be made of the fact that the Singer Company has acquired the extensive timber limits of W. C. Edwards Company, Limited, and interested in this extension for the exploitation of that limit, and the prospective construction of their mills near St. Rémi d'Amherst. The necessity of this extension has already been recognized since 1918 by the Chambre de Commerce, of Montreal, which passed a resolution on the subject. The railway has been the object of constant demand from interested corporations, villages and municipalities, whose desire has been expressed by way of resolutions and petitions.

Benefit would accrue not only to the region served by this railway, but also to the main line of the Canadian National Railway, which branch line will constitute one of the best feeders. It has been recognized that in similar country, the branch line of Mont-Laurier has served beyond all expectation the interest of the C.P.R. The district of Huberdeau branch, whenever completed by this extension of two miles, and the twelve miles between Grande Fresnière and Rinfret, is very rich in natural resources, and will constitute a very great improvement to the National Railway System.

Now, honourable gentlemen, there are 2 miles of railway to bring 8 miles, which are already railed, into operation to the village of St. Remi d'Amherst. Is it possible that we should hesitate now about building 2 miles which will mean giving a railway to serve a population of 10,000? Verily the people of that place have been treated as if they were really Chinamen, as the name of the line might suggest. If the village had been really composed of Chinamen, perhaps it would have been better treated than it has been up to this time. I believe that we should complete this railway to the village, provide a station, and thus give the population which comprises quite a number of interesting villages, the facilities of civilization.

Hon. Mr. REID: Surely the honourable gentleman does not mean that if this line is extended for those 2 miles, it will reach 10,000 people who are living in those villages?

Hon. Mr. DANDURAND: Yes, there is a population of 10,000 tributary to that railway.

Hon. Mr. REID: You could take any village of 500 population near any railway, and if you included the population of the county or the township around the village, you might find 10,000 people somewhere.

Hon. Mr. DANDURAND: I have evidence that there are already 8 miles built which are not being operated, but which stop in the fields, while 2 miles more will bring the

railway to a prosperous village. There are other villages tributary to that one, and the line will tend to develop a prosperous feeder to the Canadian National Railways.

Hon. Mr. ROBERTSON: If there are several saw mills producing 2,000,000 feet annually, within 2 miles of the end of this line, how is it the the production has not been brought to the end of the line, and the 8 miles operated?

Hon. Mr. DANDURAND: Of course, I do not know what they are doing to bring out the product of those mills. I am simply giving the statement, which I believe to be true.

Hon. Mr. ROBERTSON: I have endeavored to get a little reliable information on this matter. I am given to understand that for a number of years there have been 8 miles of railway built from Huberdeau to China Clay—a mine which was supposed to be operated, but which did not turn out as expected—and that the road has not been operated beyond Huberdeau. If there is a population of 10,000, and several mills, lying just 2 miles beyond the end of this line, they would be hauling their products to the railroad. That is not being done.

I would also like to ask the honourable gentleman why it is that the Canadian National Railways come to Parliament asking for a Bill to authorize them to build 2 miles of railway, when the Railway Act permits them, or any railroad, to build not more than 6 miles, without coming to Parliament for a charter? The Canadian National Railways this year are building scores of new lines, and are double-tracking in various places, without coming to Parliament for authorization. The money is included in the Main Estimates. If they want to build these 2 miles, they will do it. It seems to me that they are only coming here to get Parliament to endorse what the honourable gentleman from Grenville (Hon. Mr. Reid) has been pointing out; and I do not think this House should endorse the Bill at all.

Hon. Mr. DANDURAND: When my honourable friend explained to me that there was a claim made by outside parties for the land subsidy, I said to him that I would accept any amendment that would meet that case. Now I am accepting his amendment.

The amendment of Hon. Mr. Reid was agreed to.

On the schedule—location; estimate:

Hon Mr. REID: I move to reduce the average expenditure per mile to $29,750. I am fixing that figure because the information I have is that it would not cost $20,000 a mile to build this road. The roadbed will not be graded like a main line, second hand rails will be used, and if the work is let by tender it will not cost $20,000 a mile.

Hon. Mr. DANDURAND: I cannot accept that amendment, because the honourable gentleman has not established by comparison that a larger amount should not be given. This is a mountainous country, and I am informed that the C.P.R. has been spending as much as the amount stated in the Bill for a similar line of railway in the northern part of Quebec. Why should we handicap the Canadian National Railways in the building of that line? The estimated cost is put at $105,000, or $52,500 a mile. That includes a station and terminals to be built at St. Remi d'Amherst, and I do not believe it is an excessive figure.

The Canadian National Railways are exceptionally limited in their action in securing the right of way over these 2 miles, and if a demand is made for a higher figure than $5,000 the matter must be referred to the Exchequer Court. Therefore they should be given some leeway in the building of this line. It seems to me that the Canadian National Railways can be trusted to build these two miles at the lowest possible cost. Why should we tell them arbitrarily, and contrary to the opinion of their engineers, that it will cost only 50 per cent of their estimate, and that that is all they will have to work with? The general impression of my honourable friend should not be allowed to counter-balance the opinion of the engineers who have fixed a sum of $52,500 per mile. I am not in a position to contest that figure, and I doubt very much whether my honourable friend is in a position to pit his opinion against that of the engineers I wonder if it is worth while taking up the time of the Senate to limit the expenditure of the Canadian National Railways upon these 2 miles?

Hon. Mr. REID: Eight miles have already been built at a good deal less than $20,000 per mile.

Hon. Mr. DANDURAND: Upon what information does my honourable friend base that statement?

Hon. Mr. REID: When I was Minister of Railways and Canals this whole matter came before me, and I am making the statement on my responsibility as a member of this House. Now, when 2 miles are to be built, mountains loom up at the same time.

Hon. Mr. DANDURAND: Sitting near the honourable gentleman is the honourable member for Inkerman (Hon. R. S. White), who will inform him that the mountains do not exist only in my imagination.

Hon. Mr. REID: There are no mountains in the 2 miles. Then, the honourable gentleman says, there must be terminals. Why, the little stations that are built at all these small places cost only a few hundred dollars. There is no turn-table required; the trains simply run in on a "Y".

Hon. Mr. DANDURAND: Does my honourable friend believe that if the Canadian National Railways can build the road for $70,000 or $75,000, they will be so foolish as to spend $105,000 because we have authorized them to do so?

Hon. Mr. REID: I cannot see any use in giving them $105,000 if half that amount is enough. I do not want to give them any more money than will do the work. I am satisfied that if the leader of the Government takes up the question with Sir Henry Thornton or any of his officials, he will find that they will be able to build the line and have money over.

Hon. Mr. DANDURAND: Will my honourable friend join with me in sending a telegram to the President of the Canadian National Railways, or to the Chief Engineer, asking his opinion? And will he stand by that opinion when we get it? If he will, I will postpone the consideration of the Bill until to-morrow.

Hon. Mr. REID: There political influence comes in.

Hon. Mr. POPE: Order.

Hon. Mr. REID: If we have to spend $120,000 for the 2 miles—for that is what it means—we will be paying 50 per cent more per mile for those 2 miles than we are doing in the case of the other branch lines; and, so far as I am concerned, I would rather move that the Bill be not read a third time at all. I am willing to leave the question to the House. If honourable gentlemen think that we can issue bonds for $120,000 on 2 miles of railway, all right; but I do not believe the work will cost half that: I do not believe it will cost $40,000. My reason for holding that opinion is that I know what the officials thought at the time I went into this matter, and I believe they were the same officials who appeared before the Railway Committee. If they were put under oath, they would never place such an amount as they have in the estimate.

Hon. Mr. DANDURAND: What I complain of is that when this Bill was before the Committee, my honourable friend never put that question to the engineers who would have been able to give us an answer. How am I to know whether the line is going to cost $25,000 or $30,000 or $35,000 a mile?

Hon. Mr. REID: The honourable gentleman finds fault because I did not raise the question in the Committee. I think honourable gentlemen will agree that I attended the meetings just about as regularly as any other member of the Committee. Unfortunately I did not happen to be there when this Bill went through, and it has been impossible for me to take the matter up before now. I do not think any fault should be found with me for what I have done.

I am quite willing to do justice, and more than justice to the Railway. If I were to do what I honestly think I should do, I would move that the Bill be not proceeded with, because I think it is a crime to spend $120,000 on 2 miles of railway in that locality. I say the amount I have suggested is more than will be required to build these 2 miles. At all events, if I am not right, the Canadian National Railways can come here again next Session, and say I am not. Let us give them that chance.

Hon. Mr. DANDURAND: May I put a question to my honourable friend? Does he declare that he will not trust the officials of the Canadian National Railways to spend the smallest possible amount on the construction of these 2 miles, regardless of the subsidy that we may grant?

Hon. Mr. REID: I will answer the honourable gentleman's question in this way. If the honourable gentleman had been willing to trust the Canadian National Railway officials, he would not have brought in all these Bills here. Anyone who attended the meetings of the Railway Committee could tell from the answers of the officials that they were not very anxious about several of the Bills that they brought before us.

Hon. Mr. DANDURAND: We are speaking of 2 miles.

Hon. Mr. REID: That is all right. My honourable friend spoke of the officials. They did not want those railways.

Hon. Mr. DANDURAND: Would the honourable gentleman trust them with the building of the two miles?

Hon. Mr. REID: If the honourable gentleman would trust the officials, they would not ask for the two miles.

Hon. Mr. DANDURAND: They did.

Hon. Mr. REID: They asked for the Sunnybrae line as well, but they did not want to build it. Why was it included in the list? It was because pressure was put on Sir Henry Thornton, and it was said: "We cannot get these lines through unless certain other lines are included." One could tell by the attitude of the officials in the Committee when they struck a line that should not have been included in the list. And yet the Senate is held up to public scorn for trying to save the people's money.

The leader of the Government knows that the very moment the officials commenced to discuss a Bill in a way which indicated that they did not care whether it went through or not he tried to get them on the right path again. Otherwise the Bill might have been defeated.

Hon. Mr. DANDURAND: My honourable friend is absolutely in error. I have been commended by some members of the other side of the House for the impartiality with which I presented these Bills to the Committee.

Hon. Mr. REID: I know the honourable gentleman did the best he could. At the same time, he was representing the Government, and he had to do the very best he could to carry out their wishes. At the same time, I am satisfied that some of the Bills that went through the Committee were not wanted. I could see that even the leader of the Government would have liked to throw some of them out had it not been that the Government would have found fault with him. The honourable gentleman knew just as well as anyone what the officials were doing. One of the main officials who took part in the discussion said: "We don't care whether this Bill is postponed," Yet the leader of the Government stood up, and as a result it was brought into the House.

Hon. Mr. DANDURAND: And did it carry?

Hon. Mr. REID: I do not say whether it did or not.

Hon. Mr. DANDURAND: Did it carry?

Hon. Mr. REID: No, because the members had the good sense not to carry out the wishes of the leader of the Government. This Bill is exactly in the same position. I am only trying honestly to save the country from being robbed by a claim that is unjust and unfair, and at the same time to give the people in that locality the two miles of railway. I have put the case just as it is, and if honourable members want to vote $120,000 I have no further objection. At all events I have done my duty, and, no matter what may be the result, I am willing to abide by it.

The amendment of Hon. Mr. Reid to reduce the amount of the average expenditure from $52,500 per mile to $29,750 per mile, was agreed to: yeas, 26; nays, 16.

The Bill was reported as amended.

CONCURRENCE IN AMENDMENTS

Hon. Mr. REID moved concurrence in the first amendment made in Committee of the Whole.

The motion was agreed to.

Hon. Mr. REID moved concurrence in the amendment made in Committee of the Whole to the schedule.

The motion was agreed to on the following division:

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The Honourable Messieurs:

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Bénard,	McCall,
Bennett,	McCormick,
Black,	McDonald,
Blain,	McLean,
Blondin, P.C.,	McLennan,
Chapais,	Montplaisir,
Crowe,	Mulholland,
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Green,	Schaffner,
Griesbach, C.B., etc.,	Sharpe,
Kemp, P.C., (Sir Edward),	Smith,
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David,	Roche,
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Gillis,	Tessier,
Lavergne,	Thibaudeau,
Legris,	Turgeon.—19.
L'Espérance,	

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.

INLAND WATER FREIGHT RATES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 213, an Act to amend the Inland Water Freight Rates Act, 1923.

He said: I need not detain the House long in explaining the reasons for the Bill which is before us. Honourable gentlemen will remember that an inquiry was made by Royal Commission in 1922 into the charges of exorbitant rates for the carriage of grain from the Upper Lakes to our Canadian seaports. As a result of the findings of that Commission legislation was introduced last year for the purpose of remedying the evils complained of. The legislation was passed specially to cover a somewhat difficult case. The international situation had to be taken into account. The Act of last year sought to supervise or control the operations of the shippers on the Great Lakes and their doings in regard to the insuring of the grain. I am told that, although there were some difficulties in applying the Act, it accomplished in some measure the purpose in view. Honourable members are aware that the American freighters refused to abide by the regulations made under the Act. These regulations had for their main object the fixing of the rates at a certain period of the season. I am informed that the rates had shown a tendency to soar, when the Grain Board arranged to obtain the co-operation of the American ship-owners. At that moment those American ship-owners could not get into our Canadian ports, but when they came the freight rates went down in a marked degree.

The Act of last year, faulty as it may have appeared, did another good turn for the farmers and the shippers of grain. It curbed the scandalous appetites of the shipowners on the lakes, who were obtaining extortionate premiums on insurance. The Act had the effect of reducing the premium rates in a marked degree, perhaps to an average of 50 per cent of what they were the year before. So that, faulty as the Act was, it produced beneficent results. We were aware of the difficulty in the application of the Act; it was experimental legislation; yet I think that the Canadian Parliament can congratulate itself upon having used a method last year which brought about some considerable advantage to the owners and shippers of grain.

Hon. Mr. SCHAFFNER: Will the honourable gentleman allow me? There does seem to have been some advantage gained in the matter of insurance, but the honourable gentleman said that when the American boats came in the freight rates were reduced. He failed, however, to tell the House what induced the American boats to come in. In my opinion they did not come in until the Act that was passed last year was absolutely destroyed and out of the way.

Hon. Mr. DANDURAND: There was some procedure adopted by the Grain Board to induce the American ship-owners to come in.

Hon. Mr. SCHAFFNER: Contrary to the Act.

Hon. Mr. DANDURAND: Perhaps contrary to the spirit of the Act, if not to the letter, and for the time being, with the instrument we had put into the hands of the Grain Board, faulty as it may have been, there was considerable advantage to Canada, which is what principally concerns me.

Hon. Mr. SCHAFFNER: Nothing came from the Act, though, to make that.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. SCHAFFNER: Except the insurance. The Act had to be abandoned.

Hon. Mr. DANDURAND: No; there was this advantage, that if there had been no Act there would have been the combination between American and Canadian ship-owners without any restraint, just as it was the year before. However, there was the Act, and the Canadian ship-owners alone were seeking grain at our ports because they were under our law, while the Americans refrained from coming, fearing that if they followed that precedent and accepted the regulations there would have been regulations against them on their own side of the line. In that way the ship-owners were kept apart up to that moment; the combination did not take place; and when the Grain Board intervened and succeeded in bringing in the American ship-owners, the prices broke to an agreeable and beneficent degree to the grain owners and grain shippers. So I say, faulty as the instrument was, we must congratulate ourselves on having done something.

Now, with the experience gained last year, we are bringing to this Chamber these various amendments, which I will not explain to the House on the second reading, but which we will take up in Committee after the second reading is agreed to.

Hon. Mr. REID: I would like to say a word or two in connection with this Bill, not by way of opposing it; but I object to an important Bill like this, that means more

to the people of the West than to any other part of Canada, coming down here at a time when it will have to be put through in about 15 minutes, because the Session is coming to an end.

Hon. Mr. DANDURAND: My honourable friend is absolutely in error. He can discuss the principle of this Bill till doomsday.

Hon. Mr. REID: I could discuss it for a month, as far as that is concerned; but the honourable gentleman knows that that is an impossibility when the House of Commons will be through in two or three days. Does the honourable leader of the Government say that any member of this House can stop any Bill? Is he going to hold this Parliament back? We will have Bills coming down here day after day.

Hon. Mr. DANDURAND: I will give my answer right away to my honourable friend in regard to Bills that will come to this Chamber for review. We will give them all the time that is necessary, and if we decide that we should not keep Parliament longer, since the Commons have done their work, we will send over some of those Bills to the next Session.

Hon. Mr. REID: But the honourable gentleman knows that if such a Bill as this were held over till next Session, injustice might be done to the people, even in the form in which it now is. I think there is some danger in regard to our grain carried in Canadian vessels. The Bill in its present form may have the effect of sending a lot of our grain to Duluth, whence it would be shipped in American vessels to Buffalo, or to Midland or the Georgian Bay ports, or to Montreal. The very fact of vessel-owners having to expose their charter in one way or another may have that effect. I mention that only to show that if we had time to discuss the Bill we might learn whether there was any danger of that. Every member of the House would like to have every bushel of our grain go through our Canadian ports.

The honourable leader states what the Grain Board did last year. The arrangement they made probably did not conform to the Act, but had the effect of reducing rates. But the rates were raised as the result of a combination. There is no reason why there should not be a combination of Canadian vessel-owners now exactly as before. The Lake Carriers Association can fix the price at which grain is to be carried from Port Arthur and Fort William to Buffalo and Georgian Bay ports, and the Americans will not oppose them. But what strikes me as the most important feature of the Bill is that clause requiring those men to file their contracts. The danger is that the men in Winnipeg who are shipping the grain will divert it to Duluth as much as possible. However, I would be glad to assist in any way in obtaining fair rates on our grain from the West. The rates that the vessels have been charging are too high. The rate from Port Arthur to Buffalo is about 3 cents; it was 3 or 4 cents last year for some 800 miles; from Port Colborne to Montreal it was 9 or 10 cents. To-day the grain is carried at probably twice as much from Port Colborne to Montreal. But I do not understand that this Bill affects or regulates those rates.

If we had had this matter before a Committee, I would have liked to see the rate on grain from Port Arthur to Montreal regulated by this Board. Those vessel-owners have two vessels, a large one which takes the grain to Port Colborne or Buffalo, and a smaller one for the Welland Canal, to carry it farther east. They could file a rate of 3 cents or less to Port Colborne, but could add a heavy rate at the other end, so that the people of the West would be getting no advantage. The vessel-owners could make a rate to Port Colborne so low that they could show they were not making a dollar, and it would look very reasonable; but if they added the rate from Port Colborne to Montreal there would be no advantage to the farmer in the end. Something should be done to meet that situation, so that grain might be carried from Port Arthur to Montreal at a fair and reasonable rate. Such an arrangement would materially help the farmers in the West, as far as Saskatchewan. It would also benefit grain from Alberta coming down the St. Lawrence. Of course, it would not be of benefit in the case of grain shipped via Vancouver.

Such important Bills as this one should be brought before this Chamber early in the Session, when we have time to go into the matter thoroughly, and not be submitted to us three or four days before the end of the Session.

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

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

CONSIDERED IN COMMITTEE AND REPORTED

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

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I will ask Mr. Snow of the Grain Board to come to the floor.

Section 1 was agreed to.

On section 2—charter party, bill of lading or contract to be filed:

Hon. Mr. BENNETT: I think the Grain Commissioners live at Port Arthur or Fort William. Is not that right?

Hon. Mr. DANDURAND: The members of the Board live at Fort William, but one of the members takes charge of the Winnipeg office.

Hon. Mr. BENNETT: So they are conveniently located. I was only asking for information.

Section 2 was agreed to.

Sections 3 to 6, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

BANK BILL (BANQUE CANADIENNE NATIONALE)

FIRST READING

Bill Y6, an Act to amend the Bank Act by changing the name of La Banque d'Hochelaga to "Banque Canadienne Nationale."—Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen, this is an Act to change the name of the Banque d'Hochelaga to "Banque Canadienne Nationale" where it appears in the Bank Act. I do not think it should meet with any opposition. It reads as follows:

Whereas by an Act of the present session the name of La Banque d'Hochelaga has been changed to "Banque Canadienne Nationale", and it is expedient to change accordingly the said name in The Bank Act, chapter thirty-two of the statutes of 1923: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Schedule A of The Bank Act is hereby amended by substituting in item 13 thereof for the words "La Banque d'Hochelaga" the words "Banque Canadienne Nationale."

2. This Act shall come into force on the first day of February, 1925.

That is the date that appears in the other Bill we passed this afternoon.

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

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

FISHERIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 66, an Act to amend the Fisheries Act, 1914.

Hon. Mr. Daniel 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.

SHIPPING CONVENTIONS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 216, an Act to amend the Canada Shipping Act, to give effect to certain Draft Conventions adopted by the International Labour Conference of the League of Nations.

Hon. Mr. Tessier in the Chair.

Sections 1 and 2 were agreed to.

On section 3—employment of children on board ship; employment of young persons as trimmers or stokers:

Hon. Mr. DANDURAND: There is in line 35 a clerical error. Instead of "Part II" the blueprint gives "Part III." I suppose it is not necessary to move an amendment.

Hon. Mr. ROCHE: I think that perhaps this Bill goes an extreme distance. It shuts out all the young people as apprentices on board ship. The population of Canada is increasing, also our sea-coast population. This measure would prevent a person from going on board ship as an apprentice before the age of eighteen. A great many lads of fifteen or upwards can do almost a man's duty, and perhaps this legislation will shut out one means of employment of many of our seafaring population, or people living along the coasts. It is all very well for the League of Nations in a philanthropic vein to make regulations of this kind, but they may be a great hardship. There are many widows and others who send their boys, growing lads, on board ship to learn to be efficient seamen. I believe that the seamanship of Great Britain has depreciated greatly. In the old times it was necessary to serve an apprenticeship—to go before the mast at a young age, and lads

gradually worked up to be the best kind of old-fashioned seamen. They thoroughly understood their duties; they could man a ship, and knew everything about it. But now, in the age of steam, there are not as good seamen as there used to be. East Indians, Chinese, coloured people and all kinds are employed to take the places of those who ought to be brought forward as efficient seamen. I do not know that the policy of this Bill is beneficial in the main.

Hon. Mr. DANIEL: I would like to ask the Minister if Great Britain has adopted this Convention.

Hon. Mr. DANDURAND: This draft Convention has already been ratified by Great Britain, Greece, Rumania, Bulgaria and Esthonia. Ratification has been authorized by Denmark, Finland, Italy, Japan, Holland and Poland. Bills looking to ratification are pending in Spain, Germany, Belgium, Argentina, Chili, Cuba and Lithuania. Legislation has also been adopted on the subject in Norway, and is in preparation in India.

Hon. Mr. McLEAN: May I ask the Minister if this refers to schooners as well as larger ships? In the case of a schooner, the captain generally owns his vessel and takes his boys of fifteen or sixteen years of age on board.

Hon. Mr. DANDURAND: I do not know but that section 164 gives the answer:

(1) No child shall be employed in any ship except to the extent to which and in the circumstances in which such employment is permitted under the Convention set out in Part I of schedule "B" to this Act: provided that this section

(a) shall not apply to a ship in which only members of one family are employed, and

(b) shall not prevent the employment in any ship of a child lawfully so employed at the time of the coming into force of this subsection.

(2) No young person shall be employed or work as trimmer or stoker in any ship, except

(a) in a school-ship or training-ship where the work is of a kind approved by the Minister of Marine and Fisheries and is carried on subject to such supervision as the Minister may approve;

In the interpretation clause the word "ship" is defined:

(i) "ship" where it appears in any section relating to the employment of children or young persons means any ship or boat registered in Canada which goes to sea or is about to go to sea, and does not include any ship employed exclusively within the limits of the inland waters of Canada as defined in paragraphs (g) and (h) of section seventy-two of this Act.

Hon. Mr. McLEAN: I think that that covers the ground. It says that the provision shall not apply to a ship in which only members of one family are employed. The captain owns his vessel and may take on board his boys under eighteen years of age.

Section 3 was agreed to.

Sections 4, 5, 6 and 7, and 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.

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

INDIAN BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 172, an Act to amend the Indian Act.

Hon. Mr. Bennett in the Chair.

On section 3—inheritance from Indian dying without issue:

Hon. Mr. DANDURAND: The clause we discussed this afternoon reads as follows:

In case any Indian dies intestate without issue, leaving a widow of good moral character, all his property of whatever kind shall devolve upon her, and if he leaves no such widow—

That is, a widow of good moral character—

—the same shall devolve upon the nearest of kin to the deceased: Provided that any interest which he may have had in land in a reserve shall be vested in His Majesty for the benefit of the band owning such reserve if his nearest of kin is more remote than a brother or sister.

There seemed to be strong opposition to this amendment, which is comprised in the one word "such." There was a gap left in the Act. According to the phraseology of the clause, if an Indian left a widow who was not of good moral character, there was no devolution to the next of kin. The object of inserting the word "such" is to allow the estate to go to the next of kin. There seemed to be some objection to this amendment. I would like to know if it is persisted in.

Hon. Sir JAMES LOUGHEED: Oh, yes. This changes the law entirely. Furthermore, that a widow should be cheated out of her inheritance because the next of kin may possibly defame her character in order to get the estate is most unconscionable. I cannot understand on what principle the devolution of the estate of an intestate husband should be changed to the extent of depriving the widow of it and giving it to somebody else, because it is alleged that the widow is not of good moral character. The fact of the matter is, the element of morality should not enter into this section at all. It is a section

dealing purely with the transmission of real and personal estate, and if the principle of devolution, recognized in fact under every civil polity, is to be changed by an element of this kind entering into it, there will be created a disturbance that will lead to interminable litigation. The word "such" should be stricken out.

Hon. Mr. DANDURAND: The suggestion of my honourable friend that the word "such" be stricken out will not settle the whole question as viewed by my honourable friend; but the Department of Indian Affairs may well look into the matter—

Hon. Sir JAMES LOUGHEED: That is another thing.

Hon. Mr. DANDURAND: —and see, during the recess, if it would not be proper to redraft the whole clause.

Hon. Sir JAMES LOUGHEED: I am satisfied to have them do that.

Hon. Mr. POPE: Are you going to drop the Bill?

Hon. Mr. McMEANS: May I ask the honourable leader of the Government, what is the meaning of the expression, "good moral character?"

Hon. Sir JAMES LOUGHEED: Is it in the interpretation clause?

Hon. Mr. DANDURAND: I doubt that it is to be found in the interpretation clause.

Hon. Sir JAMES LOUGHEED: What I would like to see done is to have those words also stricken out. The question of character should not enter into the matter at all. It is purely a legal principle which we are declaring to be in effect, as to the transmission of Indian property. To pitchfork into it this element of "good moral character," without anybody being able to determine it, seems to me an extraordinary way to legislate.

Hon. Mr. DANDURAND: Then why would not my honourable friend, since he is moving to strike out the word "such," move also to strike out the words "moral character"?

Hon. Sir JAMES LOUGHEED: I should be very glad to do that.

Hon. Mr. DANDURAND: The clause would then read as follows:

28. In case any Indian dies intestate without issue, leaving a widow, all his property of whatever kind shall devolve upon her, and if he leaves no widow the same shall devolve upon the nearest of kin to the deceased:

Hon. Sir JAMES LOUGHEED: That is a clean-cut proposal, and I beg to move it. Then, by next Session, as the Indians are the wards of the Government, the Crown should prepare a clause taking to themselves the administration of estates where a widow may not possess such virtues as would permit her properly to administer her own estate. That would be the most satisfactory way to deal with the matter.

Hon. Mr. POPE: I think we should extend to the Indian the same privileges as we do to the white man. They should have the opportunity of establishing their character, or disestablishing their character, as the case might be. In this House we have a Committee to deal with divorces and investigate the immorality or infidelity of either the man or the woman; and if we are going to take the Indians into civilization I do not see why we should not allow them the iniquities as well as the good qualities of civilization. I think they should have the same opportunities in life as the white men have.

Hon. Mr. McMEANS: I would ask the honourable leader of the Government if there is any distinction between the devolution of estates under this Act and under the statutes of the different provinces. If an Indian dies in Manitoba, Saskatchewan or Manitoba, is not the devolution of his estate governed by the laws of the province?

Hon. Sir JAMES LOUGHEED: No, not if he is an unenfranchised Indian.

Hon. Mr. DANDURAND: I have not given very much study to the working of the Indian Act; but, looking at the amendments that are before me, I would think that the Indians are exclusively under the one Act and the one jurisdiction.

Hon. Mr. McMEANS: Why should that be? Why should an Indian who leaves property in a western province not be governed by the statute of the province in which he lives?

Hon. Mr. BEIQUE: The policy of the Government has been all the other way. The Indians are under tutorship; they are wards of the Government.

Hon. Mr. McMEANS: I quite understand that; but if an Indian acquires property, and has title to it, and the law of his province says that his estate shall devolve in a certain way, I do not see why it should not devolve according to the laws of the province in which he lived. For instance, in Manitoba, if an

Indian dies leaving a widow and no children, his property goes to the widow.

Hon. Mr. DANDURAND: I think an Indian, wherever he may be, so long as he is not enfranchised, remains under the protection of the Indian Act.

The amendment proposed by Hon. Sir James Lougheed was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended, and the amendment was concurred in.

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, as amended.

CUSTOMS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 236, an Act to amend the Customs Act.

Hon. Mr. McMeans in the Chair.

On section 1—limitation of allowance upon brittle goods imported by railway or vehicle:

Hon. Sir JAMES LOUGHEED: May I say to my honourable friend that the explanatory note on the right-hand page has no application, as it seems to me, to the Bill we are considering. This section of the Bill makes provision for an entirely different subject. In fact, the remark applies to both sections. The Bill is all right, entirely irrespective of the explanatory note, and I have no objection to it.

Sections 1 and 2 were agreed to.

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.

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

FINLAND TRADE AGREEMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 239, an Act respecting Trade between Canada and Finland.

Hon. Mr. McMEANS.

He said: I have a certain number of copies of the Treaty of Commerce and Navigation between the United Kingdom of Great Britain and Ireland and Finland, which I will distribute. It is practically the British Act, or part of it, that we are adopting by this Bill.

Hon. Sir JAMES LOUGHEED: Is this a treaty negotiated between the Government of Canada and Finland?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: I do not see any evidence of that in the Bill or in the statement.

Hon. Mr. DANDURAND: No, it flows from the British Act. If the honourable gentleman will read Article 23 of the Treaty of Commerce and Navigation between the United Kingdom and Finland it will explain how we are proceeding. That article is as follows:

> The stipulations of the present treaty shall not be applicable to India or to any of His Britannic Majesty's self-governing dominions, colonies, possessions or protectorates, unless notice is given by His Britannic Majesty's representative at Helsingfors of the desire of His Britannic Majesty that the said stipulations shall apply to any such territory.
>
> Nevertheless, goods produced or manufactured in India or any of His Britannic Majesty's self-governing dominions, colonies, possessions or protectorates shall enjoy in Finland the same treatment as would be enjoyed by similar goods if produced or manufactured in the United Kingdom, so long as goods produced or manufactured in Finland are accorded in India or such self-governing dominion, colony, possession or protectorate, treatment as favourable as that accorded to goods produced or mnufactured in any other foreign country.

In other words, Finland is ready to give its most-favoured-nation treatment to the countries which will allow the products of that country the same treatment; so that this Bill, as honourable gentlemen will see, proceeds to explain in the preamble as follows:

> Whereas by the treaty of Commerce and Navigation between the United Kingdom of Great Britain and Ireland and Finland made at Helsingfors on the fourteenth day of December, 1923, it is provided by Article 23 that the stipulations of the said treaty shall not be applicable to any self-governing Dominion unless notice is given of the desire of His Majesty that the said stipulations shall apply to such Dominion but that nevertheless goods of such Dominion shall enjoy in Finland the same treatment as would be enjoyed by similar goods if produced in the United Kingdom so long as goods produced or manufactured in Finland are accorded in such Dominion favoured nation treatment; and whereas it is desirable that Canada should have the benefit of that portion of said Article 23 which provides for the exchange of the said mutual trade advantages: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

The second section of the Bill provides for favoured nation treatment to goods of Finland as follows:

Goods produced or manufactured in Finland shall receive in Canada treatment as favourable as that accorded to goods produced or manufactured in any other foreign country so long as goods produced or manufactured in Canada enjoy in Finland the same treatment as is enjoyed by similar goods produced or manufactured in the United Kingdom.

Section 3 provides that the Governor in Council may make such orders and regulations as may be necessary to carry out the Act, and the favoured nation treatment may be discontinued on 6 months' notice. Then there is a suspension of all laws inconsistent with this Bill, and the favoured nation treatment may be extended after a day fixed by proclamation of the Governor in Council.

Our trade with Finland is just in its inception. During the last 12 months ending March 31 we bought from them goods to the paltry amount of $6,990.

Hon. Sir JAMES LOUGHEED: And we sold them how much?

Hon. Mr. DANDURAND: $1,754,279. They sold us cereal foods, a small quantity of prepared foods, and paper to the amount of $5,000. Our sales covered the following articles:

Export (Produce of Canada)	Value
Rye	$ 173,600
Oatmeal and rolled oats	63,690
Flour of wheat	1,322,501
Lard	67,425
Tires	7,219
Pipe and tubing	37,341
Mowing machines	28,283
Cultivators	1,510
Ploughs	2,526
Other agricultural tools and implements	699
Adding machines	19,125
Other machinery	7,820
Automobiles	13,523
Other vehicles	3,200
Other articles	5,817
Total	$1,754,279

We are informed that Finland is now negotiating treaties with other countries which will have the advantage we are now obtaining under this clause of the British Treaty. Canadian industrialists who have begun to form connections with Finland feel that it would be really a handicap to them in the extension of their trade, which they hope may become important, if they were left to the general tariff of Finland while other countries which are competitors of Canada would have the advantage of the most-favoured nation treatment. I have received the following telegram from one pulp and paper company:

Understand Commons have passed preferential treatment Finland and measure will be before Senate today. You are aware Finland is recognized cheapest producing country of kraft wrapping paper and pulp in the world and that the Finns are responsible for the present prices of kraft paper and pulp being non-remunerative. We informed Minister of Customs some time ago necessity in order protect our interest duty on kraft wrapping paper should be increased from 25 to 35 per cent and instead of assisting us Commons have passed measure reducing duty in case Finland to 20-1/4 per cent. This is certainly most discouraging to us and we look to you to do necessary to safeguard our interest.

I am informed by the Finance Department that all that Finland has sold to us thus far in the way of paper represents the sum of $5,000, while this company sells to the outside world over $3,000,000.

Hon. Sir JAMES LOUGHEED: Of what goods?

Hon. Mr. DANDURAND: Of kraft wrapping paper; and I am not sure if it is not this company itself that is exporting paper to the extent I have stated.

It is felt that with a duty of 20 per cent, and an article which is exported to that extent, there is surely no cause for fear that the Canadian market would be invaded, and that our manufacturers would suffer from importations into Canada of a similar article manufactured in Finland. They are solidly established and have had such a large export that I ask if theirs is not a vain fear, and if we, in considering the general advantage of Canada, should not go forward and pass this Bill which will enable a number of Canadian industries to extend their business into that country, which has a population of 3,335,000. With this explanation, in spite of the protest which I have received, I have no hesitation in moving the second reading of this Bill.

Hon. P. E. BLONDIN: Honourable gentlemen, I must repeat the complaint that was made yesterday that this Bill comes before us so late in the Session that no one can verify the facts and obtain information which would enable us to find out exactly what the situation is. My honourable friend has just mentioned a protest that he has received from a kraft paper manufacturer. I also have received very strong protests, which seem to be based on very serious objections.

Yesterday the honourable gentleman obtained the approval of this House to a Treaty with Belgium. Belgium is a powerfully organized country with which we have been doing a large business in the past; and even if there was any doubt in the minds of honourable gentlemen in regard to that Treaty, Belgium is a country which we hold in high esteem, and

I for one would be disposed to give that country the benefit of the doubt.

But in this case we are dealing with a practically unknown country, which was once part of Sweden and which in 1808 became Russian and in 1918 or 1919 became independent. That country has a population of three millions, and the argument advanced by the honourable gentleman from Montarville (Hon. Mr. Beaubien) yesterday, struck me with very great force when I found that we were opening a market of 8,00,000 people with a very large purchasing power to a nation of only 3,000,000. It seems to me that there must be some special inducement or some very inviting reason given to us to induce us to look favourably upon such a proposition.

It is not necessary for me to repeat what was said yesterday in regard to the general situation of this country. In view of our present financial condition we should be very careful in the handling of the tariff just now. Our manufacturers are practically at a standstill. Another point to be considered is that money in Europe is depreciated to such an extent that even Treaties which might otherwise be commendable ought to be postponed until better times come and money values are more stable. I find no reason to induce me to look favourably upon this legislation.

What do we find when we look at the statistics? We find that Finland produces and exports practically the same products that we are producing and exporting. We find that saw mills, wod pulp, cellulose and paper manufactures constitute its chief industries. Its leading crops are rye, barley, oats, and potatoes; and its forests are a great source of wealth, immense quantities of timber being prepared for export. Dairy produce is also exported. Upon looking a little farther, I find that they are heavy exporters and seem to be very poor purchasers. They exported to Great Britain last year or the year before to the extent of $50,000,000 and imported to the extent of $3,000,000.

Now, leaving generalities, I wish to come to the case that my honourable friend has just mentioned. I have received letters from two well known and very important companies, which employ a very large number of people and whose invested capital is no small sum. One of these letters says:

> Finland, as you know, has immense forests, and has therefore a large surplus of Kraft Wrapping Paper and other forest products, and, as there is practically no domestic market in Finland, the Finnish Pulp and Paper Industry depend almost entirely on an export business. The cost of manufacture, living conditions, depreciated exchange, enables them to make Kraft Wrapping Paper much cheaper than we can. As a matter of fact, they are even cheaper than the Scandinavians, and it was the Finns who a year or so ago forced the prices of Kraft paper and pulp down to a figure that is non-remunerative to Kraft Mills, regardless of where they are operating; and on account of the Finns continuing to quote these low prices the Kraft Paper Industry throughout the world is travelling at present on very thin ice.
>
> Canadian Kraft Paper prices are at present slightly lower than what the American Kraft Paper Mills are obtaining, although the latter have a population of 110,000,000, and, naturally, with such a big consumption, are in a position to manufacture at a lower cost than we can.
>
> We are therefore unable to reduce our present prices without being faced with a heavy loss. Our Vancouver price, for example: not more than a few weeks ago owing to foreign competition, we had to make our price there at about 1 cent lower per pound than what the United States market is commanding and it might be worth while to note that the United States Kraft industry have a protection of 30 per cent.
>
> On the face of this, I certainly cannot see the logic of the Canadian authorities consenting to make treaties with a country like Finland, which to my mind has products which come in direct competition with ours, and with conditions altogether more advantageous than ours. This I consider is most outrageous, and I think that the Senate should kill the Bill as soon as it is presented. It is bad enough that the Belgian treaty has gone through.

It is very natural for the gentleman to feel that way.

Hon. Mr. BEIQUE: What is the name of that company?

Hon. Mr. BLONDIN: The Wayagamack. I have another letter from the Dominion Paper Company, which practically repeats what I have quoted from the letter of the Wayagamack Pulp and Paper Company. I give these facts to the House for what they are worth. It strikes me that the contentions of these gentlemen should not be disregarded without first receiving due consideration.

In closing my remarks, I repeat that this very important question comes before us at a time when men like myself, who would like to do justice to these people, are hampered by lack of information, and find it very difficult to do anything else than close their eyes and vote for the Treaties, or object to them, or endeavour to have them postponed until they have an opportunity to look more fully into the question.

Hon. F. L. BEIQUE: I happen to know something of this question. The kraft paper industry is a very important one which has been started in this country by the company which has been mentioned, and which has been successful in building up a very extensive export trade. But within the last year they have met with a crisis in the production of that kind of paper, on which they have been losing money. I know that because I happen to be connected with their bankers. I do not know all the details; but, apart

from the information which I have received in a letter similar to the one which has been read, I am led to believe that it would be a very serious matter if we were to put this company in competition with producers in Finland. Finland occupies a very strong position as a manufacturer of pulp and paper. Labour is very cheap and lumber is abundant.

This Bill, unlike the Bill that was before us yesterday, does not deal with a Treaty. That being so, there will be nothing lost by deferring the consideration of this matter until next Session, and I think there are reasons for requesting such action so that we may be more fully informed. The advantage, if there is any advantage in virtue of the Treaty between Great Britain and Finland, will be open to us in six months or twelve months, as it is to-day. We are now in the middle of July. The House will likely meet again at the beginning of next year, and I think it would be wise for us to defer the consideration of this matter as I have suggested.

Hon. Mr. DANDURAND: Can any honourable gentleman inform the Senate as to what proportion of its products this industry in Canada is furnishing to the domestic market and what proportion to the export trade?

Hon. Mr. BEIQUE: I cannot give any details of that, but I could wire for them and have them by to-morrow.

These people have a very extensive factory, and are engaged in making all kinds of wrapping-paper. The kraft paper, however, is rather a new thing, having been introduced within the last four or five years. It is a very important industry, and I know the manufacturers were quite prosperous in that line of business until about twelve months ago. They met with very strong competition from the Netherlands and other countries—likely from Finland—and I know they have had a very hard time for the last twelve months. Their export has been very large.

Hon. Mr. DANDURAND: Then, if it is very large, do they not have to stand the competition of Finland and other countries in the foreign market?

Hon. Mr. BEIQUE: Their export is large, but the profits in the export trade have been very much reduced.

Hon. Mr. DANDURAND: This arrangement would affect their export trade in no way at all.

Hon. Mr. BEIQUE: Yes, of course it will.

Hon. Mr. DANDURAND: In their export trade they are meeting the competition of the world, so that this arrangement, by which they would lose hardly 3 per cent of protection, would affect only their domestic market.

Hon. Sir JAMES LOUGHEED: It is 4¾ per cent.

Hon. F. B. BLACK: As a matter of fact, the kraft paper manufacturers of Canada had control of the American market, but at present prices the export does not pay them. They are in an entirely different position from the manufacturers of newsprint, because we have a mutual agreement with our neighbours to the south of us whereby newsprint goes into that country under a special classification. Can the people in the kraft paper manufacturing keep their mills going because they have control of the Canadian markets? Even to-day they are not making money, and if you handicap them by another 4 per cent, you will put them in such a position that they cannot continue in business.

Hon. Sir EDWARD KEMP: It seems to me that this is a case in which we are trying to legislate for the benefit of the foreigner and against the Canadians.

Hon. Mr. DANDURAND: My honourable friend will allow me. I have got the statement of the Department of Finance that they have been moving in this matter at the express demand of the flour millers of this country, who think there is considerable trade for them in Finland, and who last year sold $1,322,501 worth of flour of wheat in that country. It is because of such representations to the Finance Minister by Canadians who think it is worth their while to develop and advance their trade with that country, that this project is before the Senate.

Hon. Sir EDWARD KEMP: Well, I must congratulate the flour millers if they have been able to do business with Finland. I think that our flour millers in this country can compete with those of any other country in the world. Finland has to buy our, and she gets it from various parts of the world, wherever she can buy it on the best terms, and she gets some of it from Canada. This Treaty, it seems to me, will not result in our selling Finland any more flour. We have been taking from Finland—

Hon. Mr. DANDURAND: Six thousand dollars' worth.

Hon. Sir EDWARD KEMP: Six thousand dollars' worth of merchandise. There is very little hope of increasing our exports to Finland in manufactured goods.

Hon. Mr. DANDURAND: If my honourable friend has not the list, I can give it to him. It will show what we are selling manufacured goods to Finland.

Hon. Sir EDWARD KEMP: Yes, I have the list in my hand. It is in natural products that we might hope to sell Finland a certain amount, and are selling her a very limited quantity.

But this turns on the question whether or not we are going to destroy our Canadian industries in the hope of attaining something of a more or less visionary character in the way of increased exports.

The wrapping paper manufacturers, I am informed, came to the Government some time ago, and placed before it their case, endeavouring to show that a protection of 25 per cent against Finland was not sufficient and that they were in difficulties.. They asked for a protection of 35 per cent. The United States find that it is necessary to have a protection of 30 per cent against Finland on this same class of paper. Instead of listening to the case presented to it by the Canadian paper manufacturers and increasing the tariff, the Government is now reducing it from 25 per cent to 20½ per cent.

My honourable friend (Hon. Mr. Blondin) has read some letters which he has received from certain paper companies. Why, within sight of this building, across the river here, there is a great manufacturing concern that is very much perturbed about the situation.

When questions of this kind arise I always ask myself what is the necessity for a tariff on this, that or the other thing. In this case I have been trying to find out what was the reason why Finland can manufacture paper and compete with paper made in Canada, at such low prices. I suspected that it was a question of the cost of labour. I have tried to find out what was the cost of labour in Finland. I have not been able to ascertain it exactly, but I take it that labour all round the Baltic is about the same—I do not think there can be very much variation. I find, however, in the Commercial Intelligence Journal, published by the Department of Trade and Commerce, in the issue of May 31, that the agent of the Canadian Government, a Mr. Wildress, had been investigating as to what were the wages paid on the other side of the Baltic Sea, in Germany; and I presume that the wages in Finland would be even less. If you take these into consideration, you can easily understand why paper can be sold by Finland at such a great advantage over other countries. The table which I have before me refers to weekly wages in Germany in March of this year, 1924, in rentenmarks. I am under the impression that that means gold marks. It says that 4.20 rentenmarks equal one dollar. Therefore this table is on that basis. Skilled woodworkers would receive 22.78 of these marks a week, which would equal $5.40 in weekly wages. Unskilled workers would receive 19.81 marks a week, equal to $4.70. This is a long table, referring to workers in various other lines of business, and I am not going to take up the time of the Senate in giving all the figures; but I would like to refer to the wages paid in these European countries about the Baltic to textile workers. These figures have no bearing on the present question, but they may be of interest. Textile workers, male, receive 18.34 of these marks—gold marks, I take it—a week, equal to $4.37. Females receive 12.58 marks, equal to $3 a week.

Canadian workmen employed in the paper industry of this country must surely receive not less than $3 a day. I should think $3 would be the minimum wage. Just contrast that for a moment, to see what it means in the cost, with producing paper and shipping it as ballast, as is done, I am told, from the Baltic States to various parts of the world. There are other countries besides Finland who do so, but Finland produces paper more cheaply than any of the rest of them.

Some honourable gentleman referred a few moments ago to Vancouver. It is utterly hopeless for Canadian paper manufacturers to reach the market of Vancouver when the freights from the Baltic are at such law rates as exist to-day. So far as certain parts of this Dominion adjacent to the seaboard are concerned, it is impossible to compete.

The question has been raised by the honourable leader whether certain concerns exported or not. It was inferred that if they exported and came into competition with Finland, they ought to be able to compete in the home market. That is entirely beside the question, I can assure my honourable friend. It would be necessary to have all the particulars and information before you to understand that problem. These people, like most industries in this country at the present moment, are very hard pushed for business. I dislike to have to make the statement, but I do not believe that in this country to-day there are more than ten large industries making any dividends upon their capital, and able to pay them.

Under circumstances of this kind, when the Government are dependent upon the

prosperity of these industries for the payment of taxes and of the interest on our public debt, why should we legislate in this direction? The Government is interested in every industry in this country to the extent of 10½ per cent of its profits, if it makes any. It must pay an income tax at that rate before the shareholders get any dividends at all. Here are these manufacturers, these workingmen, whom we appear to be pursuing all the time, subject to this tax and harassed by this sort of legislation. In addition to the 10½ per cent income tax, which must be paid on any profits before the shareholders get anything, there is the tax of 5 per cent on the sales in all these industries in Canada. Just think of what that means to companies that are not making any money. It means an absolute capital levy upon them, while they are cutting down their prices in order to retain their domestic business, and cutting down their costs to try to keep their mills going and their people employed, and hold their heads above water. The sales tax, which was 6 per cent last year, has been reduced, as honourable gentlemen know, to 5 per cent. A concern may make large sales, trying to keep its head up and to pay its employees their wages, and to pay its debts, and whether it makes any profit or not, it must pay that 5 per cent sales tax. Where does the money come from, when there are no profits? Does it not come out of the capital?

Hon. Mr. DANDURAND: It is received in turn from the consumer.

Hon. J. H. ROSS: The consumer pays it.

Hon. Sir EDWARD KEMP: How can it be received in return if the concern makes no profit at the end of the year?

Hon. Mr. DANDURAND: The sales tax is charged to the consumer.

Hon. Sir EDWARD KEMP: That is an altogether erroneous theory. There are very few concerns that can pass this tax on to the consumer; only a very few—those that have an absolute monopoly. The ordinary concern cannot pass it on. The manufacturer gets what he can for his product, and at the end of the year he finds his balance is on the wrong side. In that event, how can he pass it on? It has to come out of his capital. A return has already been brought down in this House in which it is shown that within a year there have been between three and four thousand industries in this country that could not pay their sales taxes at all; and these are accumulating all the time. We have laid these burdens upon Canadian manufacturers and we expect them to help to pay the taxes of this country and the interest on our debt and keep the country going. The tendency all the time is to handicap, handicap, handicap.

I have reason to believe that before entering into this Treaty the Government made no proper inquiry of the manufacturers of Canada who would be affected, nor were they given an opportunity to come to the Government and tell their story. Is it not in the interest of the country that these people should be to some extent prosperous? As I have said, the Government are interested in every one of them to the extent of 10½ per cent of their profits, which must be paid to the Government, and 5 per cent on their sales whether they have profits or not. Is it not better to keep the door open. I feel, as I did in regard to the Treaty with Belgium, that there has not been enough thought given to the question. I suppose this is another ring of the bell. I heard my honourable friend the leader speak on this Belgian Treaty last night and the question of protection, and of taxation for revenue.

Hon. Mr. DANDURAND: I was answering my honourable friend.

Hon. Sir EDWARD KEMP: It was not the language of my honourable friend; it was not the language of the good old Province of Quebec; it was the language of the radicals in this country, who—I was going to say they did not know what they wanted, and they would not be satisfied till they got it. This question of the tariff is one of the most intricate and difficult with which we have to deal in all our legislation, and nowadays the idea seems to be just to pull down and tear down and make greater breaches in the wall all the time.

My object in rising to discuss this question is simply again to draw attention to the tendency and to point out to my honourable friend and to emphasize what his colleagues know as well as he does, that the language he uses in discussing this question of protection or revenue tariff is not the language of his own Province. It cannot be the language of Quebec. Quebec is an industrial Province. Some day we shall have to face this question of protection and determine where we stand as a Dominion. Protection is the very keystone of the arch of Confederation, and if we keep trying to pull it out, you know what will happen to the arch. There is no doubt about that.

This Dominion is said to be 4,000 miles wide from the Atlantic to the Pacific Oceans.

I would like to draw the attention of honourable gentlemen in this House to the fact that that distance has been nearly doubled within the last few years by the doubling of freight rates. We had a sparsely settled country, and we have always had, but we hoped that it would fill up faster than it has done; but unfortunately class freight rates are still nearly double what they were before the war. To the north of Lake Superior there is a thousand-mile gap between the East and the West. It is a more or less unproductive, barren country. We have always regretted that fact. We have always felt that it would be a good thing if that gap of a thousand miles could be filled in and the East and West of this country brought closer together. That thousand miles is equivalent to two thousand miles now, because it takes twice the amount in freight rates to carry goods across that bridge. We have the problem of freight rates to contend with to-day. It is difficult for our Provinces to trade with each other as they could before the war.

Therefore, it seems to me, what we ought to do is to study these questions carefully instead of continuing to live in a fool's paradise; for we are living in a fool's paradise if we are not worried over the situation existing in this country at the present time. Let us study these questions. Let us consider our Canadian workmen. Let us forget about the capitalist or the manufacturer. If you pursue a policy that will keep your people in this country, the country will be prosperous; and if you pursue any other policy, the country will not be prosperous. If you have tariff stability in this country you will have financial stability. If you have not tariff stability in this country, you will not have financial stability.

I do feel—and I say it almost under my breath—that there is a great lack of confidence in this country. It is partly due to the uncertainty existing at present in regard to these matters. People are not going ahead and investing money in new plants which would employ labour, and their diffidence is due to the uncertain and vacillating policy of the Government which my honourable friend represents in this House. You cannot have a vacillating fiscal policy and have prosperity in this country. We may as well make up our minds that this Dominion is to endure and that no very radical or new conditions are going to exist, but we shall go along as a Canadian people and will not become part of the United States. Once we get this firmly impressed upon our minds, we shall realize that there can be but one solution of the problem, and that is a policy of adequate protection in order that the people of this country may trade with each other.

I hardly intended taking up as much time as I have done; but I felt that attention ought to be called to some of these points. We might very well take a leaf out of the book of the United States. They now have what is known as the Fordney Tariff, which has for its object, so far as Canada is concerned, nothing but the depopulation of this country. They have shut out immigration from Europe, and have until lately left the doors wide open for Canadians, and they are still open. The general wage situation in this country must be about the same as that of the United States; otherwise our people will go across the line. Therefore, if the cost of production in this country is equivalent to that of the United States, how are we going to keep our people in Canada unless we have laws somewhat similar to those in the United States in this regard? I do not say our tariff should be as high as that of the United States. I will not say what kind of tariff it should be, because I could not very well explain it at the moment; but I do say that we ought to stop this practice of continually opening breaches in the wall. It is now intended to open another breach by letting Finnish paper into Canada to compete with Canadian-made paper, when the cost of labour in Finland is only about one-fifth of what it is in Canada, or perhaps less than one-fifth. I am not in favour of pursuing in this country, either in regard to taxation or in regard to the tariff, a policy that will dry up the sources of revenue, and this is exactly the policy that I feel we are pursuing at the present time.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, what impresses me most deeply in regard to the subject now before us is the absence of any scientific facts or system on subjects of this kind. It seems that we indiscriminately enter upon agreements of this nature without giving any thought to their particular application to the industries or investments within our own country.

By way of illustrating what I mean I would point out that the industries which are chiefly affected—and not only affected, but threatened—by this trade agreement, have had practically no notice of the arrangement proposed to be entered into with Finland. I am credibly informed that the large paper manufacturing industry across the river, known as the Eddy Company, learned of this only yesterday or the day before. Here is a large manufacturing concern, one of the largest in this district, representing six or seven millions

of an investment, and making now, I believe, an additional three millions, and yet a treaty is about to be entered into with a competitor in that industry, which will to a large extent threaten the success of the capital that has been invested. Is it a business proceeding on the part of this Government to threaten the industrial life of this country by entering into arrangements of this kind entirely regardless of their necessity or of their effect upon our own trade? There seems to be, more or less, an obsession on the part of the Government of Canada to enter into treaties. Since I have been in public life I have never known the same number of trade treaties to be negotiated as we are facing to-day. Whether they reflect the activity of the Department of Trade and Commerce, or the progressive character of this Government to do business with the world regardless of the business within our own boundaries I cannot say, but it seems to me that we are constructing trade treaties between ourselves and foreign powers to a greater extent than ever before.

My idea of a trade treaty, honourable gentlemen, is one that arranges for an exchange of commodities that are dissimilar to our own. If they are similar to our own, such as this treaty proposes, we are certainly injuring our own investments and our own industries, particularly the enormous investment that capital has made in this country for the development of a particular class of trade.

I can very well understand and appreciate and value our entering into a trade treaty with a country producing commodities not similar to those produced in this country, so that there may be a free exchange of dissimilar commodities between the two countries. That would be advantageous to both. But when we call into existence our own competitors needlessly, I fail to appreciate that class of statesmanship. In this case we are proposing to enter into an arrangement with Finland, a country that is engaged in the same kind of industry as ourselves. Manifestly the effect of this treaty would be to open up an enormous channel for the importation of pulp and wood products into Canada. Now, manifestly we cannot compete with Finland in the production of paper, of pulp or of any wood products. Finland has enormous forests—

Hon. Mr. DANDURAND: So has Canada.

Hon. Sir JAMES LOUGHEED: So has Canada, but unfortunately to develop our own resources we have to apply skilled labour, while Finland has a labouring population that can be employed for one-fifth of what we in Canada are paying.

Is it reasonable, honourable gentlemen, to suppose that we can compete in the markets of the world with the wood products of Finland if we once allow Finland admission to our markets? Up to the present time we have been exporting to Finland about $1,750,000, chiefly of agricultural products. Is there any reason why we should not go on exporting to Finland our flour and our agricultural products just as we have been doing? I apprehend that Finland is buying from Canada because she can buy here more advantageously than from any other country.

My honourable friend from Toronto said a few moments ago that we would do well to take a lesson from the United States. My own idea is that, without imitating the United States, or setting it up as a god before whom we should bow down and worship, we could not do better in regard to trade treaties than to follow the example of that country. For instance, in this particular matter the United States exacts from Finland 30 per cent for all exports of this character sent into that country. We propose reducing our tariff from 25 per cent to 20½ per cent, notwithstanding the fact that our own industries have made representations to the Government that they cannot successfully carry on their business unless the duty be increased to 35 per cent; and to-day our own industries are selling their products on the Pacific coast, within our own boundaries, at one cent per pound less than similar industries of the United States receive for their products.

It seems to me, honourable gentlemen, that unless there is a competitor we should not enter into a trade treaty. If there be a competitor who is doing business in the foreign market, and who has received from that foreign market certain advantages over ourselves, then it is our duty to try to negotiate a trade treaty with that particular foreign market so that we may successfully meet our competitor. But I know of no competitor who is so seriously facing us as the United States. If we fail to be able to do business in foreign markets with the United States, then we are going to be unable to build up our trade successfully. It therefore seems to me that that should be one of the tests to adopt in entering into these trade agreements with foreign countries; and unless there is some manifest advantage to be gained, an advantage which will not affect our industrial activities, but will give our people commodities on a more reasonable scale, then we are not justified in entering into a trade treaty of that character.

There is another phase which should receive the utmost consideration, and I would point it out to my honourable friend: that is, the necessity of our maintaining the stability of our investments in this country. If the stability of our industrial activities is affected in the slightest degree, Canada will feel that reflected in every ramification of public and commercial life. None of our investments can be threatened without our experiencing in every department of life the injurious effects of any such menace.

We have given serious thought to the building up of the tariff. During the present Session of Parliament it has been proposed that a Tariff Commission be appointed. But what are we going to appoint a Tariff Commission for if, year after year, Session after Session, the tariff is to be threatened by the negotiation of these treaties regardless of their effect upon the trade of the country? The idea of building up a tariff is to build up something permanent, by which the industrial life of the country may be established; but every time a treaty of this nature is entered into it has the same effect as reducing the tariff. It is worse than a reduction in the tariff, because it is usually entered into clandestinely, without those affected by it knowing anything about it until the treaty has been placed upon the Table of Parliament, and the stability of our institutions is more or less disturbed by the threatened competition from the foreign country concerned.

All these considerations, it seems to me, should enter into the mind of the Government in negotiating these trade agreements. Their departments seem to me to be destitute of that scientific knowledge which they should possess to properly advise them upon subjects of this kind. Furthermore, treaties of this kind should not be introduced into Parliament without notice being given throughout the Dominion of their proposed negotiation and of their effect. For the most paltry application to Parliament we require a notice of two or three months in the "Canada Gazette" and in the public press of the country; but entirely regardless of notice we sit down and calmly consider about entering into a trade agreement without that most important branch of our industrial life known as the paper trade having any knowledge whatever of the matter.

I make these few suggestions to my honourable friend because I am satisfied that he is convinced, if he would only express to us his convictions, that this kind of business is threatening the success and prosperity of this Dominion.

Hon. Sir JAMES LOUGHEED.

Hon. Mr. DANDURAND: Of course, we are discussing this Bill on the motion for the second reading, which, if adopted, may mean the adoption of the trade treaty itself, which is very short. We are discussing the principle of the Bill. I do not wish to close the discussion at this hour if any other honourable gentleman desires to address the House on the subject.

I have listened with considerable interest, and with a degree of humility, to the representations and the advice that have fallen from the lips of my honourable friends as to what the Government and the Departments of Finance and Customs should do before asking this House to assent to a trade agreement being entered into between Canada and a foreign country. Now, I take for granted that the technical officials of the Departments have looked into the situation, and have drawn certain conclusions. I have never known of a situation so clear, so simple, as that which confronts us. Finland produces very little, is not industrially developed to any degree, and exports pulp and some kinds of paper. The Government is approached by Canadian producers and asked to help Canadian industry to develop foreign markets. This is a legitimate desire which should be welcomed and acceded to if that can be done without any impairment of Canada's interests.

Hon. Mr. BEIQUE: The manufacturers asked to be heard, and that their interests be considered.

Hon. Sir JAMES LOUGHEED: Will my honourable friend point out in what way this treaty will help the manufacturers?

Hon. Mr. DANDURAND: What faces the Government when it hears this suggestion of Canadian manufacturers? The simple fact that Finland sold us last year $6,000 worth of goods, which included $5,200 worth of wood and paper. On the other side appear sales by Canada to Finland of over $1,700,000 of Canadian goods. The matter stands as follows. We are producers and large exporters of pulp and paper; Finland is likewise. Pulp and paper exported from Finland is met at our door by a duty of 25 per cent. Under the trade arrangement proposed in this Bill the pulp and paper of Finland will be met at the entry with a demand of 20½ per cent duty before it invades our market. The Department believes that is a sufficient protection for our pulp and paper industry, which meets the competition of Finland and of the world outside our borders, and should be sufficient for an industry which springs from the Canadian soil and is so solidly and naturally established.

Now, I find in the correspondence which I received from one of those companies the statement that at this time they have been expecting an increased protection within the Dominion. My honourable friend who has read the correspondence which he received from them perhaps indicates the reason. Is it the only or the main reason why they believe that more protection is due them in order to safeguard their domestic market? I have heard the same reason put forward by other honourable gentlemen in this Chamber. It is that they may meet the keen competition in British Columbia. This is a new condition that has arisen. I am under the impression that many other industries in Canada are beginning to feel that they must revise their prices if they want their products to reach the Pacific coast. A new condition has arisen from the opening of the Panama Canal; the cheap water transportation undoubtedly cuts down the margin of profit of our eastern manufacturers. Will all of our industries claim an increased protection because they are in danger of losing a share of the British Columbia market? This is a question which presents itself in this case, and which will present itself in many similar cases. I doubt very much—and I speak of the country as a whole—whether the country will stand much longer the imposition of heavier duties upon the consumer in order to allow the eastern manufacturers to retain the British Columbian market.

Hon. Sir EDWARD KEMP: What about the Transcontinental freight rates from the East to British Columbia? They are double what they were.

Hon. Mr. DANDURAND: They are. It is a problem which will tax the science and the wisdom of the public men of Canada to find a solution. One of the reasons for the increase of these freight rates is the exceptional increase in the wage rates on the railways and in the coal mines. There was some reason for that increase; but there is a pressing reason for a decrease; and notwithstanding what my honourable friend who presided over the Labour Department for a number of years (Hon. Mr. Robertson) may think, I really believe that it is in the interest of the labour element of this country that they should be taught by their leaders that they will be perhaps the first to suffer from the apparent increase in prosperity which came to them through an increased wage. The increased wage gives them more money to handle but the high cost of living is upon them. My honourable friend said yesterday that the increased cost of living was the reason for maintaining high wages. He was treating the effect instead of the cause. The high cost of living in this country is mainly due to the extraordinary, exceptional increase in wages in certain lines.

Hon. Mr. ROBERTSON: I ask my honourable friend to peruse the record from 1914 to 1920. He will then discover that in every instance the rise in wages followed a rise in the cost of living. Since 1920 wages have been substantially reduced, and in proportion to their purchasing power they are not any higher to-day than they were in 1914; that is to say, the dollar to-day does not purchase what it did then. Therefore the higher wage is of no more value to the workmen—

Hon. Mr. DANDURAND: That is self evident.

Hon. Mr. ROBERTSON: —and the workman says that until the cost of living is brought down he is not going to accept a reduction in wages. Surely it is evident that a protection of 20 per cent is entirely inadequate in view of the fact that has been called to the attention of my honourable friend that wages are five times higher in the pulp industry in Canada than they are in Finland, and that it is well known that 70 per cent of the cost of the production of every commodity is for labour.

Hon. SMEATON WHITE: Does the honourable gentleman know that the mills which are complaining are located in British Columbia?

Hon. Mr. DANDURAND: The one I have heard from is in Quebec.

Hon. SMEATON WHITE: The Dryden Paper Company, which is one of the sufferers, is located on the coast.

Hon. Mr. DANDURAND: I cannot understand why the Canadian pulp and paper industry should be in fear of competition within our own borders, under a 20 per cent tariff. I recognize that the depreciated currency in European countries has a considerable effect in disorganizing trade conditions. But this is a temporary condition. If this Chamber says that we must await the re-establishment of currency throughout the world before we make an effort to develop our trade by trying to cultivate new markets, that of course will be the decision of this Chamber; but we must not forget that there is another side to the picture. We are handicapped to a certain extent by the fact that our markets are limited; but we can produce the goods. We increased our exports last

year over those of the preceding year; we have increased our exports for the last three months over those of the corresponding three months of last year. We can produce provided we find purchasers, and the effort of this Government is to develop trade outside. It is true that you cannot develop trade outside without reciprocity. People will not open their markets to us unless we give them some similar concession. I recognize that in trading with another country it is essential that we should sell to that country what we produce the most of, and that we should buy from it what it produces with the greatest facility. In this instance, it is true that pulp and paper are produced on both sides; but we are dealing with a country which does not produce wheat, and which needs considerable wheat and flour. We produce those two articles. That country needs various lines of our manufactured goods, as is apparent from the sales that we made last year.

I say there is some merit in this proposition. It is true that in certain lines of kraft paper the pulp and paper industry is afraid of competition from Finland; yet Finland has exported to Canada only about $2,000 worth of that class of goods. We are answered that that does not show the extent of the pressure of Finland upon that trade, because Finland may be forcing down the prices. But let us not forget that other countries are also producing pulp and paper and are an element in fixing the price throughout the world. We may suffer temporarily from the depreciation of currency; but surely that 20 per cent protection, when we meet competition in foreign markets on an equality, should be sufficient to protect that industry in our domestic markets.

Hon. Mr. POPE: Honourable gentlemen of the Senate—

The Hon. the SPEAKER: I have to call the honourable gentleman's attention to the fact that the honourable the leader of the Government waited for honourable gentlemen to speak before he rose.

Hon. Mr. POPE: Does that close me out?

The Hon. the SPEAKER: Yes.

Hon. Mr. DANDURAND: The honourable gentleman may speak in Committee.

Hon. Mr. POPE: That is a very great tribute.

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

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from July 14 the adjourned debate on the motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(*a*) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(*b*) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(*c*) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(*d*) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(*e*) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(*f*) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(*g*) That the said inquiry shall be subject to the condition that no matter of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(*h*) That the said Committee be composed of the Honourable Messrs.

(*i*) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

And the motion of the Hon. Mr. Tanner in amendment:

That it be amended by striking out paragraphs (*a*), (*b*) and (*c*) thereof, and substituting the following therefor:

"(*a*) The failure of the management of the Canadian National Railway System and the Canadian Government Merchant Marine to properly investigate the statements and charges brought to their attention by the Honourable J. D. Taylor, as stated in his address to the Senate on May 8th of the present year."

Hon. G. D. ROBERTSON: Honourable gentlemen, I have very little to say on this subject. I moved the adjournment of the debate the other day because of the absence of a member who I knew desired to say something upon it.

Without going into it in detail, or discussing the merits or demerits of the request of the honourable member who made the motion for the appointment of a Committee to investigate these matters, I beg to say just

a word or two respecting what I think ought to be the general policy when questions of this kind arise. I think it is unwise to drag into Parliament every complaint that comes to one from outside respecting our Canadian National Railways. I think it is the duty of the executive officials of the Canadian National Railways courteously and reasonably to answer any inquiries that an honourable member may make for information. From the evidence and the statements that has been made in this House since the honourable member from New Westminster (Hon. Mr. Taylor) made his first charges, I am convinced that had there been more consideration shown to his request and more courtesy extended to him by the officials of railway company—had they said to the honourable member, "Sit down with us, and we will tell you all about it so far as we know"—in all probability the facts could have been brought forward and an explanation given that would have been acceptable to the honourable gentleman. Therefore I say that as a general policy I think it is unwise to bring these questions into the House, and I believe that they ought not to come here except as a last resort.

Now, with reference to the particular case that led up to the existing conditions, what are the facts? The honourable gentleman from New Westminster came to this House last year with those complaints in mind, which he regarded as serious. After discussion with some other members of this House, he took their advice and proceeded to take up the matter with the executive of the National railways. He made an honest, courteous, persistent endeavour to get results, and failed. He came back this year with an investigation denied after it had first been ordered and then called off. Then, when he sought to press it, he was given no satisfaction. Therefore, my sympathy is entirely with the honourable member from New Westminster in that particular case. I do hope, however, there will be no necessity for a repetition of this situation, and that in future when any honourable member of this House or the other House, in a proper spirit, courteously asks for information or lays what he believed to be facts before the Canadian National Railways, and says, "Here is something that looks to be wrong, you ought to investigate it," he will receive courteous treatment at the hands of the railway officials.

I have in the course of my business activities during a good many years come in contact with the railway officials of Canada, and I want to say for those connected with the Canadian National Railways, particularly those who came from the Canadian Northern railway official family, that almost without exception they are men for whom I have the highest personal regard and in whom I have the greatest confidence. It is to be regretted that, in the light of the revelations that came out as a result of the arbitration proceedings, one cannot extend quite the same degree of confidence to those who constituted the official family of the old Grand Trunk. Therefore I am in sympathy with the honourable gentleman from Simcoe (Hon. Mr. Bennett) who, because he lives in a locality where he saw a great deal of what appeared to him to be, and what undoubtedly were in many cases, shady transactions, carries that suspicion which had occupied his mind, perhaps with good reason, into the camp of the new official family of the Canadian National Railways, and includes some officials who I think are honest men.

I know one of the officials who has been mentioned in this controversy—Mr. Vaughan, the Vice-President in charge of purchasing. I would say without any hesitation that I do not believe that Mr. Vaughan would commit a dishonest act in any capacity, let alone in his capacity as a Vice-President of the railway. Mr. Vaughan was for many years a subordinate to Mr. Hanna, who was the General Manager and later the President of the Canadian National Railways after the Government took it over, and any man who obtained his schooling from and enjoyed the confidence of and was raised to higher positions of responsibility by Mr. Hanna, is I think entitled to my confidence and respect.

I will not go into the details further, except to reiterate my opening remark that I hope, as a general policy, it will be the feeling of members that we should not bring into this House matters upon which we can get proper and satisfactory explanations outside. If we want to get some information respecting the Canadian National Railways, let us ask the officials for it personally before we put a motion on the Order Paper of this House. In that way I think we will get greater satisfaction and will receive more courteous attention and prompter results, and the welfare of the National railways will be promoted to a greater extent than if the other course is followed.

But I do not make these remarks as in any way of excusing the present instance. I think that the matters which have been brought to the attention of this House by the honourable members from New Westminster (Hon. Mr. Taylor) and Simcoe (Hon. Mr. Bennett) are here because of the fact that information

asked for in other quarters was not obtainable, and when it was pressed for by the honourable member from New Westminster, even reasonable courtesy was not shown to him or to his position as a member of Parliament. I think that probably the experience we all have had will result in greater satisfaction and better service in the future.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I had not intended to participate in the discussion of this subject, particularly at this late period of the Session. I wish to say, however, that in my judgment any reflections which have been made upon either the Government Merchant Marine or the Canadian National Railways might have been dissipated by a willingness on the part of the officers of those companies to investigate the charges and to satisfy the demands which an honourable member of this Chamber assumed the responsibility of making.

If the position of a member of Parliament is to carry any weight, if his standing is to be recognized in the community, when he makes a statement, not only on the floor of this House, but publicly, it should be given careful consideration by those concerned. It seems to me that when the honourable gentleman from New Westminster made his complaint to both those organizations, in regard to irregularities, and worse, the head of the system should have voluntarily said, at once, and without being importuned or pressed: "We shall be only too happy to make a most extended investigation into those charges." It is only in that way that public confidence can be cultivated and retained by those great institutions which are owned and operated by the Government of Canada. They will not receive the support and sympathy of the public unless any suspicion that may arise is met by the strictest investigation; and there is only one way to make a satisfactory investigation into subjects of this kind. It cannot, in my judgment, be conducted as the inquiry in this case has been. It would not have been unreasonable for the heads of those institutions to have said to these honourable gentlemen: "You as public men have made certain charges against these public institutions. We will join hands with you in trying in every way to vindicate their character." That could have been done readily and easily and in a very short time. Instead of that, the representations made have been ignored. The consequence is that not only have we had a lengthy discussion upon the subject, extending over almost the whole duration of the Session, but it has received publicity in the press from the Atlantic to the Pacific, and, I venture to say with confidence, the prestige and the morale of those institutions have been seriously affected by those reports being allowed to go uncontradicted to the extent I have mentioned.

I think, furthermore, that the Government of the day, responsible for the proper administration of those institutions, should have declared, immediately those charges were made on the floor of this Chamber: "We will not permit this matter to stand, we do not want publicity to be given to reports of this nature; we will immediately, on our own responsibility, propose the appointment of a committee of this House to fully investigate the truth or falsity of those reports." That was the duty of the Government, and if the Government had done it when my honourable friend made the charges, the investigation could have been conducted and concluded, I think, within ten days or a fortnight. This House and the public would have been satisfied with that investigation, and the injury that has been done those institutions would have been avoided.

Hon. Mr. DANDURAND: Hy honourable friend forgets the difficult situation in which the Government was placed. First of all, the National Railways, as the honourable gentleman knows, have been given a free hand. Furthermore, the matters in question took place about 3,000 miles away, and it would have been necessary to gather evidence from that distance and bring it to Ottawa.

Hon. Sir JAMES LOUGHEED: May I remind my honourable friend that during the present Session, almost from its beginning to the present time, the managements of those institutions have been at the beck and call of the Government. They have attended Parliament from time to time and have appeared before committees. They have responded to every call from the Government to assist Parliament, not only in the investigation of matters included in these charges, but in regard to the administration of those two great properties generally.

Hon. Mr. DANDURAND: I was thinking of the charges of my honourable friend from New Westminster (Hon. Mr. Taylor), and I thought the honourable gentleman was alluding to them.

Hon. Sir JAMES LOUGHEED: I am alluding to both. It seems to me it was most desirable for the managements of those two institutions to have placed themselves at the disposal of Parliament, saying, "We will leave nothing undone to satisfy Parliament and the public as to the truth or falsity of these charges."

I rise simply to express my regret that this matter has been allowed to continue for several months, receiving publicity which is certainly injurious to the success of those institutions, and which, it seems to me, could easily have been avoided had the management displayed a willingness to have the charges thoroughly investigated.

Hon. Mr. BENNETT: Honourable gentlemen—

Hon. Mr. DANDURAND: My honourable friend has spoken on the amendment of the honourable member for New Westminster, and I suggest to him that if that amendment were withdrawn he would then be in order in further discussing this question.

The Hon. the SPEAKER: I would point out to the honourable gentleman that the honourable Senator from Simcoe (Hon. Mr. Bennett) is the mover of this resolution. I understood the honourable gentleman from Simcoe intended closing the debate.

Hon. Mr. DANDURAND: He is the mover of the resolution, but there is an amendment, which precludes him from closing the debate. If the amendment is withdrawn, the honourable gentleman from Simcoe can speak again.

Hon. Mr. BENNETT: It is the honourable gentleman from Pictou (Hon. Mr. Tanner) who has moved the amendment.

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. TANNER: If the honourable member from Simcoe has some remarks to make, I have no objection to withdrawing the amendment that I moved. For that purpose, with the leave of the House, I withdraw my amendment.

The amendment of Hon. Mr. Tanner was withdrawn.

Hon. W. H. BENNETT: Honourable gentlemen, I regret that the hour is late. But, in view of the statement that was placed on Hansard the other day by certain officials of the Grand Trunk or Canadian National Company, in which I am charged with making statements that are untrue, and insinuations that I cannot prove, and am challenged to withdraw those statements or produce evidence in support of them, I feel that this matter has now assumed a personal phase. I am sorry that these officials have seen fit to take the position that they have adopted. It is certainly not in the interest of the National Railways. Be that as it may, they have thrown down the gauge of battle and I am prepared to accept it.

I want honourable gentlemen to remember, in the first place, this fact, that two different statements have been made by representatives of the National Railways. Statements from them were contained first in the Hansard of May 28, and there are others repeated in Hansard of yesterday. I wish to take up now the statements of yesterday and deal with them. These are signed by Mr. Galloway as Chief Assistant to the President, and Mr. Vaughan, the Vice-President.

The first paragraph is devoted to a eulogy of Mr. Teakle. I am quite willing that the Canadian National representatives should say everything commendatory and complimentary that they can of each other, for God knows they all require it.

The next paragraph of the reply deals with the chartering of vessels, and states that it was done after consultation with all Departments and in accordance with the judgment of all concerned, from the President down.

The third paragraph states the reasons why certain boats were leased. Then comes the first clause of a contradictory nature, and I will read it in full:

> The Drummond and the McKee were, therefore, chartered to the Playfair interests in the early part of May, 1923, at what was considered a fair rate and at a figure which assured us of profit. The boats at the time of chartering were on the market for sale, and the understanding was that the charters could be cancelled at any time without notice. As a matter of fact these two boats were sold in August to Fort William interests, who were the highest bidders, for $220,000, and, therefore, the charter to the Playfair interests was from May to August only, which netted us $16,215, as against Senator Bennett's statement that we made $14,000 only for the two boats during the entire season.

There is a direct charge that I stated what was untrue. Now, let us see who is telling the truth and who is not telling the truth about this. Here is a return brought down in this House, which says that the proceeds of the Drummond and the McKee were $14,288.44. Yet these two men have the impudence to come now and say I stated what was untrue when I mentioned that they were approximately $14,000. Was I not warranted in saying that, in view of the statement that was brought down here by those officials? There is not a word in all the former returns to substantiate their statement that the return was $16,215. They have told me that what I say is untrue: I tell them both that they, with studied intention, state what is untrue, because they sat down and deliberately signed this paper that had been prepared in the offices in Montreal.

Let me call your attention to another fact. On the 28th of May this statement was read in the House by the honourable leader in

reference to two vessels that were laid up at Collingwood:

The reason for the lay-up of these steamers was due to their requiring very heavy repairs.

Here is the statement brought down yesterday:

The amounts of $5,784.27 and $8,084.40, quoted by Senator Bennett as being for repairs on the Canadian Signaller and Canadian Warrior, do not really constitute repairs bills.

Yet they have the impudence at first to write to the honourable the leader of the House and misinform him by saying that they were laid up for very heavy repairs. Which is the truthful statement, I ask the Minister now? Is it the statement of Mr. Teakle, signed by him, on May 28, to the effect that they were "laid up for heavy repairs," or is it the statement of yesterday? Let me repeat this:

They do not really constitute repair bills, but cover charges including renewal, cleaning, cementing tanks, painting, and general overhaul throughout hull and engine room.

It is plain to anyone who reads that there is a deliberate lie in one statement or the other. I want to say, in fairness to Mr. Teakle, that he never signed, I believe, the first statement, because he was not in the country: he was in Europe at the time. The newspapers so stated. Yet Mr. Teakle's name is signed to that paper, stating that "heavy repairs were being made on the vessels." Why was that statement made? To deceive me, of course, and to deceive this honourable House.

The amounts were $5,784.27 and $8,084.40, and the writer of that letter knew very well that when I saw the statement I would assume that a great deal of work had been done on those two vessels, and that I would not question the amount of about $15,000 being a reasonable charge for repairs made to those vessels at a machine shop. I do not know now which statement is the honest one, but I assume it is the later statement, because it was expected at the last that an investigation would be conducted and that when the accounts were produced they would not show "heavy repairs" on the vessels. The petty accounts would have been brought down to show that the boats had to be cleaned, painted and overhauled. Had I known that charge of $15,000 was for this petty work, I would have denounced it with double violence in this House, and I will tell you why. Because there were two boats laid up, and at Midland too, and they were dealt with, as I believe, in the very same manner, being cleaned and painted, and I have no doubt that the charges for those two boats probably ran as high as these did.

Now, what has the Minister to say after being misled by those officials? Were they telling him the truth when they said there were "heavy repairs," or were they telling him the truth when they said there were "not heavy repairs?" The later statement is as bad as the other one, if not worse, because the man whose name is appended to the other one was not in the country to sign it; but here were the two men, Vaughan and Galloway, signing a statement which they must have read over and which is a direct contradiction of the earlier statement. Is that the way in which Parliament is to be treated by the servants of the people, bringing down contradictory statements of that kind?

Again, they say:

Referring to the charge at one of the President's assistants receiving a salary of $20,000 to $30,000 per year, this statement is untrue.

Is that statement untrue? These two officials say that it is untrue. I made the statement that there was an official, an assistant to the President, who was receiving a salary of over $20,000 a year, and that by common rumour it was stated that his salary was $30,000. Is it true or not? There was an inquiry over in the House of Commons a few weeks ago before members of a Committee there, and I will repeat the evidence given by the President. There is in that House a gentleman named Mr. Stewart, from the district of Humboldt, where I am told there is a large railroad centre. Apparently Mr. Stewart had been posted by some person as to the ramifications of the Canadian National Railways. Mr. Stewart asked the question of the witness, President Thornton:

Q. Are there one or two very highly paid officers who have been brought in, in the last twelve months? I mean over $20,000 a year?

The President replied:

We employ a radio engineer to take charge of our radio work. We employ a superintendent of insurance, and then, of course, there was the immigration and colonization department. We had nothing of that sort before, and that is entirely new. But if you consider the size of our organization I think there have been surprisingly few officers imported from the outside. I think offhand only two. Dr. Black would perhaps be the one, as Mr. Bell reminds me, who would approach the case you have in mind.

Now, what was the case that was in mind? First, by a question that was propounded, it was a salary of over $20,000 a year. Then Mr. Harris of Toronto asks this question:

Q. I had an idea there was new blood brought in as an assistant to you?

Mr. Bell: Assistant to the General Manager?

Mr. Harris: To Sir Henry.

Mr. Bell: The gentleman you refer to has been there, I suppose, for two years.

And then the witness, President Thornton, says:

Probably you mean the man who is now the Assistant Chief of Transportation; I brought him here myself, he has been here for years and years, I suppose. I don't know how long he has been here.

Now, what was the first question asked?—

Q. What men have you with over $20,000 a year salary?

And the President replies that those men are in the category of $20,000 a year or over —not $20,000, but over $20,000. Let me read the words—"I mean over $20,000 a year." And when I use the language, and say that I understand there are men in positions there who have salaries of over $20,000, a year I am met with the statement, broadcasted through the country, that it is untrue.

Now, what does the honourable gentleman think of his officials? I commend their impertinence to the public of Canada, as well as their incapacity for the positions they occupy. Here is what Mr. Bell says about one of the $30,000 men:

Mr. Bell: He was first with the Canada Atlantic, then he went with the Navigation Company, outside the company. He came back into the organization again.

This is the man I had in mind, because it is common street rumour that Mr. C. J. Smith, who is called the Superintendent of Elevators, and is generally known as the Assistant to the President, receives a salary of $30,000; if not, his friends are doing him an injustice when they make that statement around the streets of Ottawa.

I ask the Minister, does he think it is right in the face of that statement and the evidence of Sir Henry Thornton, for those two clerks to stand up and say that these statements made by me are untrue? Again they said:

Senator Bennett insinuated that the high-up officials were interested in certain steamship lines and dredging companies. So far as our knowledge goes there is no justification for this statement, and Senator Bennett should either withdraw same or produce evidence to substantiate his accusations.

I tell the Minister that Sir Henry Thornton himself is a director of the Canada Steamship Company. Is that not true? He is openly advertised with the other directors. As to dredging, I will send the name of the party over on a piece of paper in a moment.

Hon. Mr. DANDURAND: Will my honourable friend allow me? I have an impression that, for reasons which I do not now recall, the President of the National Railways or of the Canadian Northern had a seat on the Board of the Canada Steamship Company because of some joint interests that existed between those two institutions; but that does not imply the owning of any stock in the company. It is a vague recollection that I have, but I think it is fairly true.

Hon. Mr. BENNETT: I have not looked up Hansard to see whether I spoke as to their connection with the steamboat business, but what I had in mind was that there were officials of the Grand Trunk connected with dredging concerns. Now I am telling the Minister who it was; I have written and sent him the name there of one of the officials who was associated with this Mr. Playfair, who figures in the company called the Dominion Dredging Company, with a dredge called the "Algonquin." If the honourable gentleman wants to put in Hansard the name that I have given him on the paper he can place it there.

Hon. Mr. DANDURAND: The Dominion Dredging Company?

Hon. Mr. BENNETT: I think that is the right name; and they had a contract on the St. Lawrence, at Chicoutimi, which was the subject of investigation in the House of Commons; and when we look into matters where men have connection with dredging companies we find they are men receiving favours from the National Railways, which shows the affinity. If the honourable gentleman will have a search made in files of the company at Toronto, in the public departments there, he will find that the Canadian Dredging Company in its returns a copy of which I had in my possession, reported that a gentleman named Reid, who was a clerk in the office of the Grand Trunk Railway in Montreal, held in trust stock for certain gentlemen. Of course it does not give their names of the principals.

Hon. Mr. DANDURAND: The same one?

Hon. Mr. BENNETT: No, two different companies. And yet those gentlemen want proof. Well, there is the proof; let them go and search in those returns. I have not a copy of the return with me, but I have one at home in my desk. Here were these Grand Trunk men, officials of the company, interested in dredging operations in two different cases; and any man who knows of dredging operations knows of the scandals that have attached to them on the public inquiries, and what a lucrative business it has been. So much for that statement; they want the proof; there they have it. True, it will be said that those references are somewhat old, but there is a great bond of communion created when men get together in dredging companies.

Now, let us see some other of those charges that they made. For example:

It is well known that these ocean-going vessels, with engines amidships, are not suitable for trade on the lakes, where light draft is required to enable the vessels to go through the canals and to reach the docks.

For example, assuming one of the C.G.M.M. ocean-going vessels loaded 110,000 bushels at Fort William for Georgian Bay, her draft, if fully loaded, would be about 21 ft. The Soo Canal draft is about 19 ft. and the Welland Canal draft is 13 ft. 9 inches to 14 ft. While, therefore, these boats might carry a fairly good load for their capacity to Georgian Bay, they could not operate profitably through the Welland Canal.

Now, let there be no question about it, there is the statement of the two officials that if the boats carried 110,000 bushels they could not pass through the Sault Ste. Marie locks. I say that when those men sat down and made that statement they knew they were telling what was a deliberate lie, right on the face of it. I cannot prove that they knew it, but I can prove that everybody else knows it. Pick up to-day's newspaper, and you will see that a vessel called the Belchers, one of those boats that was sold out of the Canadian Marine passed through there yesterday carrying this cargo—47,000 bushels of wheat, 85,000 bushels of oats, a total cargo of 132,000 bushels. Go a little further back; take June 2, 1924, and we have the following departures: Signaller, 126,000 bushels of barley; Sower, 100,000; the Trader, 105,000; Belchers, 102,000; the Adventurer, 105,000 all these with wheat; yet those two men will deliberately in cold blood, place before this House a statement that it is utterly impossible for those vessels to go through the Soo locks with a cargo of 110,000 or any amount approaching that quantity. When can you believe these officials, if they will tell such deliberate lies as those I have enumerated? Do they say the newspapers tell what is untrue? These newspapers have no object in publishing the returns of shipments that are given from the elevators every morning as to the quantity of grain, or the custom house clearings, yet we find these miserable, low down lying statements indulged in by those men in order to damage me, because they thought I would not be able to cope with their mendacity.

I think that my honourable friend the leader of the House should be a subject for sympathy to-night, when these exposures are made as those statement he was asked to read and did read, in this House, that were positively untrue on their face, every word of them. Then they go on with this statement, assuming that I am a perfect ass, that I know nothing at all about the business; and they say that I had stated that those boats would be able to go on into the ocean with their cargo. I never said such a word at all. What I did say was this, and I repeat it, that the Canadian National Railways had elevators in the West, that they had railways to the head of the Lakes, that they had this magnificent service of 12 boats on the Lakes, that they could have shipped their grain down to Midland, into their elevators, and by their own railway down to Montreal, and then in their own ships to Liverpool or wherever they wished to take it. Yet they go on with this asinine statement that I had said and insinuated that those very same vessels would go through from the head of the Lakes right down to Montreal.

Now let me take another statement:

Senator Bennett mentions a certain amount of money which should have been made by the operation of the Drummond and the McKee. He is, of course, only speaking figuratively. To say that vessels on the lakes are making such profits is at variance with the facts.

Once again I am charged with stating what is untrue. Now, let us see what these boats were making, and what this fleet was doing; and in that connection I will deal with the passing over of those two boats, the Drummond and the McKee, to this Great Lakes Company at Midland. The statement shows that the two boats were paid for the lease and the Government got $14,288.40. I have a computation, after consulting with people who knew about it, which would have shown that those boats, for the time they were let out to the lessees should have earned at least $84,000, and after deducting a fair amount for expenses, they would have easily netted, in the months they were let out, at least $30,000. In other words, the country lost on that transaction at least $16,000 or $18,000. Is it any wonder that those companions in former dredging operations were instrumental in securing those vessels for the hiring made?

If the National Railways had occasion to lend those boats out to somebody, why did they not call for tenders, and give the general public an opportunity? There is only one reason—the closeness between the lessees' and some of those officials on the railway. Then they insinuate that the rates I quote are too high. Here is my proof of the rates. In a despatch from Winnipeg dated May 24 it is stated:

The rate quoted to-day on the Lakes is 6 cents a bushel, by the Standard Exchange Company.

That is the company which was letting the contracts, and any man who takes a contract at 6 cents a bushel will find that at that rate the boats were losing anywhere from

$20,000 to $25,000 by being leased to those parties.

Now I want to take up another matter, that is regarding those two boats, the Kearsarge and the Arthur Orr. In the statement that the honourable gentleman read the other day this passage occurs:

Occasionally, but only occasionally, these boats may be diverted to Duluth, or elsewhere, for a cargo when there is no return cargo available from Chicago or Milwaukee. As a matter of fact, in the year 1923 these boats were diverted on two occasions only. The first trip was a cargo of binder twine from Chicago to the Head of the Lakes, and the second was a round trip from Chicago to Buffalo.

There are occasions in the operation of any steamship line when work may be slack in the regular trade, and a special cargo is taken to fill in.

We understand that insinuation was made by Senator Bennett that the Kearsarge and Arthur Orr were probably chartered to the Playfair interests; then we turned around and made a contract with them to carry our coal. There has been nothing produced to give any colour whatever to this insinuation.

In other words, I am charged by these two officials with stating what is untrue. I hold in my hand the published returns given out by the Customs House under date of 23rd of May, 1923. I was told that I said what was untrue when I stated that the Arthur Orr was at the head of the lakes discharging coal, and they called on me to prove it. Well, here it says:

Among the steamers which cleared to-day light for Duluth after discharging coal here are: The Arthur Orr—

—and some others. Now what does the Minister think of those men? They come up here with a story. I do not say that the newspaper may not be wrong, but I do say that when I quoted from the paper I certainly was not fabricating. I think the Minister will discharge me from any accusation of that kind after I have read the above proof.

What were these boats doing in 1923? Let me read the statement here as to the loss on those vessels to the country in that time.

According to the statements given to me under an order of the House, there was the following fleet: the Canadian Adventurer, Canadian Pathfinder, Canadian Sailor, Canadian Signaller, Canadian Sower, Canadian Trader, Canadian Warrior, Canadian Engineer, The Drummond and the McKee. In addition to those there were the Arthur Orr and the Kearsarge. Will it be believed that with this magnificent fleet of 12 vessels on the lakes, a Special Committee of the other House which dealt with this question makes a return stating that in the season of 1923 these vessels carried some 11,000,000 bushels of grain. I will spread this at full length upon Hansard:

The Great Lakes Service:

The evidence indicates that over 11,000,000 bushels of grain were handled during the season of navigation of 1923, with a resulting operating profit to the vessels engaged in this service, but that the type of construction of the vessels of the Canadian Government Merchant Marine is such that they cannot economically compete in this trade during normal conditions.

Mark you the wording: there was a "resulting profit" to the vessels. But it does not state how much it was.

Now let us take the returns that show how this concern is being run into a hole by these officials. The Adventurer showed a gain of $6,883.65; the Pathfinder, $13,342.90; the Sailor $5,464.34; the Trader, $17,078.07; the Drummond, $7,200.64, and the McKee $7,087.80.

The losses were: The Engineer, $4,450; the Signaller, $8,973.92; the Sower, $1,153.35; the Warrior, $10,007.46; the Orr, $21,281; and the Kearsarge, $15,346.66. So, taking the losses at $61,212.39, and the gains at $57,057.40, there was a net loss on the operation of the 12 vessels for the season of 1923, of $4,154.99.

How can any man in his right senses believe that those vessels could lose in that season the sum of $4,154? I have got here an estimate of what one of those boats could have made. The Kearsarge, carrying 160,000 bushels of grain, at the rate that I have proved existed on that date, would have had a freight worth $9,600. In coal, at the rate of 45 cents, which was the rate the Government paid these other organizations, she would have had a freight worth $2,376. That would have made a gross for the round trip of $11,976; or in four trips she would have made $47,904.

Hon. Mr. DANDURAND: Net profit?

Hon. Mr. BENNETT: No, not net profit. I give that as an instance to show what the management of this line of boats has been under these officials.

Hon. Mr. DANDURAND: Are those of American register?

Hon. Mr. BENNETT: Those are the two of American register, which had the opportunity of carrying from either Duluth or Port Arthur.

Hon. Mr. DANDURAND: Yes, but they are a link in a through freight arrangement.

Hon. Mr. BENNETT: I am glad the honourable gentleman mentions that. I will tell him here—and an inquiry will prove it—that the season of 1923 was the leanest season ever known in that trade between Chicago and Depot Harbour. Why talk about

a link in the connection, when they admit they were running those boats to Duluth and to Buffalo, and when they were losing on the Chicago to Depot Harbour trips? Why did they not take one of the smaller boats and put it on there?

Hon. Mr. DANDURAND: They were not really losing.

Hon. Mr. BENNETT: Not really losing? There is the loss—on the Orr, $21,281 and on the Kearsarge, $15,346.66. The honourable gentleman says they were not losing. What does he mean? Does he mean that by a manipulation of the books these men that I have proved—out of their own months—to be liars that is strong language but it is justified—could change a loss to a profit? Of course they could, by a manipulation of the books.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that under a through freight arrangement, when you are the owner of the whole concern, you can allot, part to the railway and part to the boat; but that is purely arbitrary, because in the end it comes to the same thing.

Hon. Mr. BENNETT: Then I commend to the honourable gentleman the Management of this company, which permitted two splendid vessels to go behind, one to the tune of $21,281 and the other to the extent of $15,346 when there was no business being done there, and when they could have placed an inferior boat on the route. The public knows what can be done with the books in the Grand Trunk offices in Montreal. That is a matter of record, and I am glad the honourable gentleman has reminded me of it.

Who were the principal officers of the Grand Trunk Railway company prior to its being taken over by the Government of Canada? There was Mr. Kelley, who is away now; there was Mr. Dalrymple, Vice-President, and there was Mr. Robb, who was a Vice-President. Those gentlemen formed the local Board of the Grand Trunk in Canada. Now, let us understand something about those gentlemen. I hold in my hand the award of the arbitrators in the Grand Trunk Arbitration, and I will read from the judgment of Sir Walter Cassels. He says:

> The first point raised by counsel is that the accounts of the Grand Trunk Railway system have been so manipulated—I use a milder term than that used by Mr. Tilley—as to render the accounts as presented by the books unreliable and unsatisfactory.
>
> The second point is that for reasons of his own—I will quote later his own reasons as stated by himself—dividends were paid when, to the knowledge of the Chairman there were no earnings applicable to the payment of such dividends; and those moneys so paid were diverted from paying claims due to the Government, which should have been paid, leaving the Government claim unpaid to the present time.
>
> The Stock Exchange was notified. I have never thought the stock market quotations of any value in arriving at the question to be solved by the arbitrators, but if the arguments put forward by counsel for the Grand Trunk railway have any weight, then the dealings referred to would effectually destroy any value to be derived from such quotations.

As far back as January 20, 1914, a cable is sent to London which reads as follows:

> "Preliminary figures for half year show $566,000 or, say, one-and-a-half per cent earned on third preference. To produce this result have increased item of General Interest wherever possible. That item now shows $619,000 as compared with $323,000 last year. If you approve will transfer to Operating Expenses $290,000 same accounts as last year in order to improve comparison of general interest and Operating Expense Account."
>
> This was done. The cable proceeds:—
>
> "In case you wish to show two-and-a-half per cent earned on third preference, it will be necessary to reduce loss on Canada Atlantic by $154,000 and carry in Canada Atlantic suspense, bringing total of that account to $504,000."
>
> It is alleged by counsel and not denied that this also was done. McLaren is Chief Auditor to the Grand Trunk railway. In 1919, according to his sworn statement, there was a deficit of $6,483,000. Instead of showing this deficit he shows a surplus of $5,556.
>
> I asked him this question:—
>
> "Q. And that being a deficit, instead of showing a deficit of $6,483,000 you show a surplus of $5,556 and that is the same all the way through?"
>
> His answer is:—
>
> "A. Exactly."

Could there ever be in the courts of any land a plainer and more direct case of falsifying accounts in order to deceive the public and to rig the stock market? And that work was joined in by two men who to-day hold high offices in the Canadian Northern Railway, Messrs Robb and Dalrymple.

Talk about the morale of the railway. Why, the men from one end of the country to the other know what the judge's finding was as to the straightforwardness of those two men. Is it any wonder that I state to-day, in the light of the atmosphere that has been created around the Grand Trunk offices in Montreal, that these two understrappers undertake to lie, and deliberately lie. as they have done in the statements they presented to this House? Why, sir, it passes comprehension that this Government can be so blind as to allow the President, who is in charge of the system, to keep such men in the employ of the Company.

Let us take Mr. Galloway's record in connection with this railway. There was a time in the affairs of the Grand Trunk railway when this triumvirate—Kelley, Robb and Dalrymple—and others were in power. There was a change coming; there was the passing over of the system to the Government. Here, in the cold light of day, were these directors using their influence to do what? They were

deliberately attempting to rob the corpse of the Grand Trunk by appropriating the Grand Trunk's money to themselves. It is well that the public should know about these matters. After they had done that, and after they had appropriated money out of the insurance moneys of the Grand Trunk workmen, what happened? They were not dispossessed of office, because the new, and present, President retained them.

Then there appeared before the public the following document:

The undersigned officials of the old Grand Trunk railway, now in service of the Canadian National railways, having read with concern the accounts in the public press of the grants voluntarily given them prior to the date of the acquisition of that company by the Government of Canada, under resolution of the Board of Directors of that company have determined, with a view to performing their full duties as patriotic citizens, and to preserve that confidence and respect on the part of the public, without which no public railway officer can effectually perform his duties, to voluntarily offer the Canadian National Railway company a return of the monies given in each case, a reasonable time to be allowed each officer to complete his pay. In doing this, we admit no wrong on our part, as we were informed that the gratuities were given by the Board of the Grand Trunk railway in recognition of loyal and faithful services covering a period of many years.

Then follow the signatures, and the amounts:

W. D. Robb, $16,500; J. E. Dalrymple, $16,500; D. E. Galloway, $9,000; G. T. Bell, $5,000; H. C. Martin, $5,000; I. M. Rosevear, $12,000; H. H. Hansard, $7,200.

Fancy the pathetic pleading of these gentlemen: "A reasonable time is to be allowed each officer" to return the portion he has got. May I ask the Minister if he knows whether these "patriotic citizens," as they term themselves, have yet repaid the money they took from the corpse of the Grand Trunk? Does the Minister know whether they have or not?

Hon. Mr. DANDURAND: I have no information.

Hon. Mr. BENNETT: No information! I think this Government is little concerned whether the moneys have been returned or not.

So we find among the subscribers to that precious document this Mr. Galloway, who describes himself as a "patriotic citizen," and who, breathing the air, as Judge Cassels has described it, of all kinds of manipulations of the books of the Grand Trunk, comes in here to the honourable gentleman and asks him to read a statement which on the face of it is contradictory to the statements they have made before. As a matter of fact, every statement in that document is false, and I have so proved. It would be interesting to know, and perhaps before the close of the Session we shall know whether this patriot has returned his share, namely, $9,000.

It may be said that I am talking a little harshly about Galloway. He is part of this system of the Grand Trunk, which is, as I have described it here, composed of these men, who are ready to lay their hands on all the money they can lay them on, and to give it up only when they have to.

A considerable part of this statement is devoted to these eight vessels. If you will take the two statements that were placed before us by the Minister, and put them side by side, you will see that the so-called "defects" in the vessels are entirely different. Let me read the statement given on the 28th of May, 1924:

Their engines are in the middle of the ships and they are equipped with ballast tanks and other auxiliaries not commonly found in lake freighters. This type of construction makes it very awkward to load and unload them with coal. In addition to this coal being a heavy commodity, it is very likely to seriously damage the ship when it is unloaded into the hold, and when being unloaded large buckets are used which are dropped into the hold from a considerable height, with the likelihood of considerable damage to both the hull and the equipment of the boat, because of its construction.

That statement of course was punctured by the honourable member for De Lanaudiere (Hon. Mr. Casgrain), who afterwards said that these boats were built much heavier than the ordinary lake freighter. And if the ordinary lake freighter can be loaded and unloaded, and can carry coal successfully, what was the sense in publishing that statement?

They have recourse to another statement which is wonderful:

Another serious feature in connection with the cost of handling coal in these boats is the cost of trimming and slow discharging, the coal all having to be shovelled out from around the tunnel; so that, therefore, in addition to the increased cost of operation referred to above, as compared with lake boats specially built for the trade, there is the cost of discharging. The docks discharging these vessels would exact an additional charge for handling same, and some docks on the lakes have not suitable equipment to discharge this class of boat at all.

If that were true, why did they not give that statement in the first place? If men are capable of lying deliberately as they have lied, as I have proved to-night, is it not the easiest thing in the world for them to cook up reasons of this kind? They sold one of those vessels, the Belchers, and that vessel, as I have shown, brought down cargoes of grain. No doubt she is in the coal trade as well. It is absurd to put out the statement about these vessels being so unsuitable for the trade from the Upper Lakes.

What is the Canadian Government Marine fleet doing to-day? I have here a clipping from the Globe of Saturday last. What does it state? It states that eight Government vessels are tied up at Fort William and their crews have been disbanded. Yet here is a boat of the same class, the Belchers, that was sold by the railways and is doing business in competition with other boats on the Lakes. It would have been a great deal better for those men to have answered the question which I have asked, but to which an answer has been refused, namely, at what price were these vessels sold? True, we are now told where some of them have gone.

The two boats, the Drummond and the McKee, were not sold to Playfair interests, but to Fort William interests. The Playfair interests made a bid on them, but we had a higher tender, and the boats, therefore, went to the highest bidder. A number of these boats have been sold in addition to the Drummond and the McKee, some to British and Norwegian interests.

If, as I hope, we have an inquiry next year, we shall find out what figure was paid for them.

Anything that goes on in the business world is not overlooked by Grand Trunk officials. I think I have demonstrated that. I think they have read of some of the events that have occured in the United States. In May, in an inquiry at Washington into a scandal regarding the sale of Goverment ships, it was divulged that one ship which had cost $1,676,-000 and was valued by one of the Government officials at $200,000, was sold for $100,000. It was proved in the evidence that that boat, sold for $100,000, was a sister ship to one that was valued by an honest valuator at a million and a half. It is my belief that the whole game of slandering these vessels belonging to the people of Canada by the railway officials as they have been slandered by the statement that they were unfit for the work, has been played for the purpose of reducing the price. It is wonderful that when those vessels pass into other hands they are able to make money. I think officials of the C.N.R. at Montreal are endeavouring to hammer down the price of these boats that they may be able perhaps to imitate the transaction that has been revealed at Washington.

Hon. Mr. DANDURAND: But have not the vessels been advertised for sale for the last two years?

Hon. Mr. BENNETT: Who would buy them in open competition when they can be got by private sale? Nobody would do it. The vultures are going to wait until the proper time, when the boats have been sufficiently depreciated by slander and by reason of the Canadian Merchant Marine doing as they are doing to-day, tying up eight of them at the head of the Lakes and paying off the crews. They will not give these vessels an opportunity to earn an honest dollar.

Hon. Mr. DANDURAND: We have had quite a number tied up in Montreal too.

Hon. Mr. BENNETT: Next year I shall hope to devote my attention to your Merchant Marine on the ocean.

Hon. Mr. DANDURAND: I beg the honourable gentleman's pardon. He says, "your Merchant Marine." I suggest that he should call it our Merchant Marine.

Hon. Mr. BENNETT: The Merchant Marine of the people of Canada, who have to-day such unworthy trustees. But, honourable gentlemen, what is being done to give these vessels an opportunity to make a dollar? Early in the year 1923 something happened in Canada. It was this. The honourable gentleman very properly described it this afternoon as the most nefarious, most outrageous, most dishonest combination entered into by vessel owners in Canada to despoil the farmer of the West of his hard-earned money. Is not that in effect what the honourable gentleman said? Of course he did.

Hon. Mr. DANDURAND: I relied upon the findings of the Commission of Inquiry.

Hon. Mr. BENNETT: Yes, and the findings of the Commission justified his statement, because it was proved by that inquiry that $487,000 had been taken out of the pockets of the farmers of the West by a combination of Canadian vessel interests who held 95 per cent of all the space on Canadian vessels, and who, after charging outrageous rates for the carrying of grain, took by the throat the men who sent the grain forward and insisted upon writing their insurance. No words could be too strong to describe the action of those vessel companies; and the Government was derelict, because that Commission pointed out to the Government the proper course of procedure, namely, to hale all those buccanners before the criminal courts. The Government failed to prosecute them, as they could have been prosecuted, under the criminal law.

With all these revelations ringing in the ears of the people of Canada, what did the Canadian National Railways do? The Government was an accessory after the fact; and I think that probably if the truth were known it would be found that some members of the Government were accessories before the fact as well.

Hon. Mr. DANDURAND: The Government and Parliament?

Hon. Mr. BENNETT: Not the Government and Parliament. Parliament had nothing to do with it. Well, what was done?

Hon. Mr. DANDURAND: We passed a law last year.

Hon. Mr. BENNETT: What was done in the spring of 1923? The Canadian National Railways had to freight up the Lakes a quantity of coal amounting to 1,594,135 tons. They had a fleet of twelve vessels on the upper Lakes at that time. Instead of letting their own vessels carry the coal, would you believe that they went and grasped the hands of men who had taken the bulk of the $487,000 by that blackmailing process of insurance, and gave to them the contract for the carrying of all the coal. Is not that true? Here it is stated in this return dated May 19, 1924, that this quantity of coal, 1,594,135 tons, has been given to the Canada Steamships Lines and the Great Lakes Lines, the idea being to give Canadian bottoms the preference.

Hon. Mr. DANDURAND: Those are corporations. You could not shake hands with them. They are soulless.

Hon. Mr. BENNETT: I do not know that they are any more soulless than the Management of the Merchant Marine of Canada.

The letting of those contracts was the fault of the Government of Canada, not the Merchant Marine. What was known to have been done last year has been repeated this year. Furthermore with this huge quantity of coal to be freighted, which would have meant over $800,000 in freight, these two companies had not the vessels to carry it, and they hired American vessels for the purpose, and your splendid fleet of twelve vessels were tied up.

Hon. Mr. DANDURAND: Not splendid for carrying coal.

Hon. Mr. BENNETT: Oh, do not talk such nonsense. What is the proof of it? The proof of it is the word of these two—what shall I say?—Ananiases. Is the honourable gentleman going to ask the President of the road whether he will continue these two men in the employ of the system or not? There is no doubt at all that they will be kept on. The time has about arrived when the people of Canada are taking notice of the way this System is being conducted. Let there be no doubt as to where those eight vessels to which I have referred are at the present time. Here is a clipping from the Globe of July 10:

> Fort William, July 10.—(Special.)—Eight vessels of the Canadian Merchant Marine, owned and operated by the Canadian Government in conjunction with the Canadian National Railways, are tied up at local harbors, and their crews have been disbanded for the season, owing to slackness in business. The vessels, which comprise a good-sized fleet in themselves, have found berths at the Canadian National Elevator Docks, and will be docked here until further word has been received from Ottawa.

Hon. Mr. ROBERTSON: From Ottawa?

Hon. Mr. BENNETT: Ottawa. The statement is made for this reason, that the officials of the Canadian Merchant Marine have their residence in Ottawa for the present. Many are living at the Chateau Laurier, at, I assume, the expense of the public. They are entertaining members of Parliament wholesale. No wonder about the hotel receipts increasing. I make that statement advisedly and I will not retract it.

Hon. Mr. DANDURAND: But my honourable friend knows that they are here very likely because they are called by committees of inquiry.

Hon. Mr. BENNETT: Called by committees of inquiry? No, not called by committees of inquiry. What committee of inquiry has called Mr. C. J. Smith, an official who is reputed to have $30,000 a year? He has not appeared before the Committee. He appears about the lobbies, accompanied by Mr. Thompson, the publicity artist for the Company. What are they doing about the corridors? They have not been called before the committee. For the good of Canada I would like to see some of the gentlemen who were called before the committee running this Canadian National Railway System. I would like to see Mr. McLeod doing it to-day as President, instead of President Thornton. Many people in Canada would be much more at ease about it.

Now, I think I have pretty effectually answered the statements made here by these C.N.R. officials, these patriots; for when they were promising to return the money Galloway called himself one of the patriots. I hope that sufficient time has elapsed for him to pay his share.

As honourable gentlemen seem to be quite interested, I will now refer to some things that are going on to-day in connection with this Canadian National Railway. I may mention that I never saw people requesting Hansards more than they are doing to-day, particularly officials of the Canadian National Railways; and may I tell the honourable gentleman that I am using some of my own funds to furnish them with copies of Han-

sard. It is wonderful how the Canadian National men want to see or hear what is going on in Parliament about the railway.

I will now refer to the celebrated levy of 4 per cent that is being made upon officials of the railway. I quote from a Toronto paper this statement:

The following statement was issued today at the Canadian National Railway headquarters in Montreal:

"In view of the industrial and trade conditions which have resulted in a falling off of gross receipts the officers of the Canadian National Railways from the President down, have volunteered to give one day's pay a month to the management to help in reduction of operating expenses. This offer, which has emanated entirely from the officers themselves, has been gratefully acknowledged by the chairman and board of directors and is being given consideration.

Perhaps I had better read the rest of this despatch from Montreal to the Toronto Star. It goes on to say:

A "bomb" was dropped in the offices of the Canadian National Railways here on Saturday, when word was received that the management would welcome a volunteer offer from the better paid officials to accept a 4 per cent reduction in salary.

The word came in the form of a letter from the president setting forth the fact that a marked falling off in traffic receipts necessitated action of that character, and stating that as soon as business improved the 4 per cent reduction would be wiped out.

Then, further on:

Mr. W. A. Kingsland, assistant general manager, in speaking to The Star with reference to the proposal, said: "The men are taking it with a smile, and I think it will be one hundred per cent effective. I know in our office we just sent the list around, with the telegram from the president at the top, which was self-explanatory, and everybody signed.

"The response to this voluntary request is most gratifying, and shows the regard the employes have for the Canadian National. The request came Saturday and this is only Monday, but the progress has been very good. There has been no attempt at coercion, but the lists have been sent around without any comment, and without urging the employes to sign.

"I was out on the road on Saturday, and everybody I talked to was quite agreeable to the decrease. As several said to me, 'In some offices there would have been a notice sent around saying that salaries would be reduced, but Sir Henry has taken the other way of asking the staff to reduce their salaries voluntarily, and I think everybody will sign the list.

"It is only temporary, caused by a falling off in the traffic receipts. It is not only for Toronto, but the request has gone to all the Canadian National system throughout the country," concluded Mr. Kingsland, adding with a smile, "It affects me too."

Several of the subordinate officials with whom The Star was talking all seemed quite favourable to the decrease, if the railway found it necessary. "The head of our department signed the list, and whatever he does the rest of us usually follow," said one man in the engineering department. "Nobody has said anything to us, but the list was just sent around, leaving it up entirely to the individual person. I have not heard any objections."

This is a wonderful state of affairs. The President sends the list to Toronto, as Mr. Kingsland says, and his own telegram is attached to it. Then the President gives a statement, which states:

This offer, which has emanated entirely from the officers themselves, has been gratefully acknowledged by the Chairman and Board of Directors and is being given consideration. The situation is being carefully gone over to find out if it will be necessary to accept this voluntary offer, and if so to what extent it will be necessary to put into force reductions in the salary list of employees throughout the System.

So it turns out that the request for the reduction has come from the President himself, and not from the officials. People are casting their eyes over this system to-day. My honourable friend remarked the other evening that he thought that people making statements in this House were prejudicing the railway system. Well, he had better look after some of his friends. Here is a statement that appears in the House of Commons record of Tuesday, July 15. Mr. Bourassa, M.P., asks these questions:

1. Was there an embezzlement of funds belonging to the Canadian National Railways at their offices in Levis, by padding pay sheets?
2. If so, when was this discovered?
3. On what date did said embezzlement begin?
4. What was the amount?
5. At what date did the employee supposed to be guilty of the above offence cease to occupy his position?
6. Was said employee arrested? If not why, and what were the means taken to have him apprehended?
7. Have the sums embezzled been returned?

I want to tell the honourable leader of the House that I would not waste my time, as that member did, about some poor devil of an understrapper. If I were to ask the questions that have been sent me about some men on this road I would be kept busy. Like master, like man: they know what is being done, or at all events said to be going on at Montreal among the big fish, and this is what follows. The honourable gentleman had better look after some of his friends if he does not want reflections on the road. The whole trouble is that the atmosphere that was breathed by those officials when they tampered with the books before the Grand Trunk arbitration, and sent those false despatches to the old country at that time, has permeated the whole system, and those stories are handed down as legends among the men.

Hon. Mr. DANDURAND: And now the honourable gentleman is trying to create a better sentiment—an atmosphere of optimism.

Hon. Mr. BENNETT: I am trying to show the people of Canada that they have a Government that, with full knowledge of the

facts that I have stated here to-night, allow those men in high places to remain in office, without restraint on their part, because this Government is under obligations to those men.

Hon. Mr. DANDURAND: We have given a free hand to the management of the Canadian National Railways.

Hon. Mr. BENNETT: You cannot give a free hand to those officials. They have a free hand themselves, because you are their servants, and your Government is not their master.

Hon. Mr. DANDURAND: Of course, this is pure childish talk.

Hon. Mr. BENNETT: Childish talk? Does not the honourable gentleman remember the last elections? Does he not remember the confidential correspondence of Sir Joseph Flavelle, the President of the road for the time being, which lay in the offices at Montreal—taken out and carted up to the Montreal Star office, and then published in that paper?

Hon. Mr. DANDURAND: The Tory paper of Montreal?

Hon. Mr. BENNETT: It is well that there are some papers that will publish statements that are bona fide. The kind of men that the Government to-day employs is shown by the statements I have answered; yet I have no doubt that if these two men who made those slanderous and lying statements about myself were met to-morrow morning by some members of the Cabinet they would be grasped by the hand and told, "Well done, good and faithful servant, go at it; slander everybody who makes any charge against the Government."

Hon. Mr. DANDURAND: Against the railway.

Hon. Mr. BENNETT: This railway and this Government are one and indivisible. You rigged this service with creatures of your own creation.

Hon. Mr. DANDURAND: No, I beg the honourable gentleman's pardon—with your own creation. You are attacking the directors, but they were here when we came in.

Hon. Mr. BENNETT: I am attacking this Government.

Hon. Mr. DANDURAND: Oh, no; my honourable friend—

Hon. Mr. BENNETT: I am now attacking this Government when I say you appointed men of such calibre that public opinion forces you to put them off the Board. Is that not true?

Hon. Mr. DANDURAND: Well, the honourable gentleman supported a Government of which a couple of members were asked to retire.

Hon. Mr. BENNETT: A Government from which a couple of members were asked to retire?

Hon. Mr. DANDURAND: Yes, by their Premier.

Hon. Mr. BENNETT: To whom does the honourable gentleman refer.

Hon. Mr. DANDURAND: The Borden Government.

Hon. Mr. BENNETT: To what does he refer?

Hon. Mr. DANDURAND: The Hon. Robert Rogers was one of them, and Sir Sam Hughes was the other.

Hon. Mr. BENNETT: But do I understand the honourable gentleman to say that the time has arrived in Canada when, if a Minister of the Crown does not see eye to eye with his Premier, that Premier cannot ask him for his retirement? Of course that is always done.

Hon. Mr. DANDURAND: Yes, but I am simply giving my honourable friend a parallel example. It does not mean that the calling of men to one's council constitutes a crime simply because at a later date one feels that he should withdraw from the council.

Hon. Mr. BENNETT: I did not say that it was a crime that they had to withdraw, but I said that this Government foisted on the Board of the Canadian National Railways men whom the public forced it to dispense with. Is that true, or is it not? In circumstances similar to those I have just mentioned, I will mention one man whom they were forced to withdraw from the Board in Quebec —Mr. Talbot.

Hon. Mr. DANDURAND: My honourable friend is in error. Mr. Talbot is still on the Board.

Hon. Mr. BENNETT: Then I congratulate the Government, in view of the opinions that have been published about him. But I will tell the honourable gentleman that if he would go to the business life of Montreal, or any part of the province, and compare the members of the Canadian Pacific Railway

Board, like Senator Beique, side by side with Mr. Talbot, he would be welcome to all the credit he could get out of it.

Hon. Mr. DANDURAND: I am not discussing, but simply answering the statement of my honourable friend.

Hon. Mr. BENNETT: Let me ask, has Mr. Stewart yet published a statement as to why he withdrew from your Board?

Hon. Mr. DANDURAND: No, but if my honourable friend will inquire he may get an answer.

Hon. Mr. BENNETT: We have arrived in this country at a time when, between yourselves and your railway, you cannot get big men to go on your board. In the city of Ottawa, for example, there are big men like Mr. Gordon Edwards, a wealthy Liberal. Let the honourable gentleman go and get men of that sort on the Board, and there will be no more Scribe Hotel scandals and others of that kind.

Hon. Mr. DANDURAND: My honourable friend should forget the Hotel Scribe, which is a better purchase than the Daly Building here, by the side of the Chateau Laurier, which was bought by the late Government at $1,000,000. There is quite a difference between the purchase of the Daly Building at $1,000,000 and the purchase of the Hotel Scribe at $2,700,000.

Hon. Mr. BENNETT: But one is in the city here, and we know what it is, while the Scribe Hotel is nobody knows where. There is also this marked difference, that there is no middleman like this Aronivici, your precious protege, who is basking there in the sunshine, with $30,000 that he got from the people of Canada.

Hon. Mr. DANDURAND: My honourable friend forgets that that gentleman is our protege not mine.

Hon. Mr. BENNETT: And do not forget the unknown commission, of graft that he got out of the sale. Go up to the city of Toronto and get hold of life-long Liberals like Mr. Joseph Kilgour, and men of that stamp, who would inspire confidence, or else they would turn the whole outfit down, or get out themselves. Let us look at the proceedings of the Committee that has been investigating in another place. It is the President who is being examined. Here is what he said to Mr. Kyte, in answer to a question:

> I would like to say this, in connection with procedures of this sort which we are discussing. "Not so very long ago an opportunity occurred for the purchase from the Montreal Tramways Company of a line which runs from Montreal to Bout de l'Isle. I think it is about 12 miles long. I had about an hour in which to decide whether we would buy that property or not. The price was $1,200,000 and I decided to buy it for the company and did buy it, and it was subsequently reported to the Board of Directors for approval."

Has not the time arrived in this country when there should be a curb put on the President of this road, who throws millions around on his own judgment?—$1,200,000 gone without even consulting Mr. Talbot. Of course, Mr. Gough was not there; he had gone.

Hon. Mr. DANDURAND: But the honourable gentleman does not mention Mr. E. R. Décary.

Hon. Mr. BENNETT: Mr. Décarie was not consulted although in Montreal the President says he did it himself. There is all the more reason why Mr. Decary should be consulted, because I understand he is a good reputable citizen, but the President jumped into a $1,200,000 venture and tied up the people of Canada for that amount. Does the honourable gentleman approve of that?

Hon. Mr. DANDURAND: No, I am not expressing any opinion as to the procedure.

Hon. Mr. BENNETT: Read that evidence—$250,000 paid for moving different officials of the railway company when they were going from one place to another and being assigned to posts when the consolidation of the new companies took place.

Hon. Mr. DANDURAND: That all depends on the number.

Hon. Mr. BENNETT: Of course it does. It all depends on the head-work of the man at the top, when there was so much expense to be undergone, that he did not scrutinize more carefully what the cost was to be.

Now, since we are reviewing the question of this Government Railway cost, let us turn again to this evidence. I find that last year, for printing and stationery, the Canadian National Railways paid $1,630,069, and for advertising $1,063,784, or a total of $2,693,853. What does the honourable gentleman think of that? And here is an example of how this railway do their advertising. An answer was given in the House of Commons a few days ago to a question as to the amount paid for a single insertion of the railways' advertisement in the Toronto Globe newspaper about the first of January, and $500 in round figures, was paid for one insertion. This reckless, extravagant railway was paying $500 for that advertisement, and alongside of it was an advertisement of a business railway, about which

there are no scandals—the Canadian Pacific—occupying only one-half the space, showing how the C.P.R. does its business. I have no doubt, from this example, that all the advertising of the Canadian National Railways would go along those lines. The Globe newspaper will come out and talk about the Senate of Canada and its attacks on the Government, the same time there appeared a page advertisement of the Trade and Commerce Department for another $500; so the Globe newspaper company would lift their plate the day after, and find $1,000 for the two pages of space. And that is the way that money is being lavished from one Department to another, and particularly it is the way in this National Railway Department.

The worst of it all, and the curse of it all, is that this practice will go on until there will be a general election in this country, when the people can rise in their might and do what they want to do, turn this Government out; but in the meantime they cannot get a chance to do so.

I hope the honourable gentleman is satisfied with his friends on the Canadian National Railway who made this brilliant reply to me. I want to look now at a statement made by the honourable gentleman off his own bat. He says:

> Now, here we are discussing the technical operation of a few steamers on the Great Lakes. I believe that to a very large extent all this is time lost.

Does the honourable gentleman think that the time of Parliament is lost in letting the members be seized of the facts of this extravagance in the Canadian National Railways?

Hon. Mr. DANDURAND: I believe that if the public ever takes cognizance of the statements made by the Canadian National Railway officials and by my honourable friend they will be incapable of making head or tail of the statements, and coming to a conclusion.

Hon. Mr. BENNETT: Then all I can say is that if the honourable gentleman can find in any part of this community a man who will read those two statements of the railway officials one directly contradicting the other, and say that the men who make those statements are honest truthful men who should be admired, he will have to go to a lunatic asylum to find such people. Any man who has any judgment, or who has the interests of this country at heart, would say that if this country has officials of that style and class, who tell deliberate untruths and who are exposed as falsifiers, and yet are kept in the company's service, will say it is about time they disappeared from the scene.

Then the honourable gentleman went out of his way to add this:

> One of the officials of the Canadian National Railways, who bears no ill-will to any member of the Senate, said: "I believe that we are merely the victims of a situation in which a certain gentleman of the name of Playfair, who lives at Midland, should be reached, and that an effort is being made to reach him through us, because we are doing the best we can in the service of the Canadian Merchant Marine."

Now, I accept the honourable gentleman's statement that one of the officials told him that, and I do not want to know his name. I could expect that any official of the Grand Trunk would say that—why? Because they know that the trouble is in part that they are in here is due to the fact of their dickering with Playfair. They have Playfair on the brain, and the country has Playfair on its back, and that is the reason they say it. I do not blame the honourable gentleman at all for quoting the railway official, but is it not about time that the Canadian National Railway and the Merchant Marine quit their deals as shown up to-night? Then you would not be exposed, as you are being exposed, to the troubles that are confronting you from day to day.

The honourable gentleman thinks that the public are not interested in this, and that they will not understand it. But let me tell him they will understand this—that this Government puts out a statement and says that there was a profit made by the Merchant Marine when at the same time they show a statement that they had lost in the season's operations $4,000 odd, as I indicated. Why, if this fleet of vessels had been given fair treatment I think they would have made a profit that would have been upwards of $500,000 in the year, and they would not have been going out of their way to do it. That is shown by the record of what has been earned by other companies. In that report of the Grain Commission, Mr. McLean's Commission, he shows that one of those companies, The Great Lakes Company, made 33 per cent. Why should not these vessels make 33 per cent?

Hon. Mr. DANDURAND: Will my hon. ourable friend allow me to tell him what conclusion I think the public would draw from all his recriminations? It would be that the quicker we disposed of this Merchant Marine and put it into private hands the better off the country would be. Apparently this is singing the song of the failure of state ownership of the Merchant Marine.

Hon. Mr. BENNETT: The country will say the sooner it gets rid of this Governmen., the sooner there will be a change in the Man-

agement of the Merchant Marine, and the sooner men who have a knowledge and an idea of business and are capable of doing business will be given the place.

Hon. Mr. DANDURAND: How could the public hope and expect that there would be a change in the Management of the Merchant Marine when the men at the head are the same men who were at the head before 1922?

Hon. Mr. BENNETT: My answer to that is that under the Conservative Administration—

Hon. Mr. DANDURAND: They were there?

Hon. Mr. BENNETT: They were there, and Sir Joseph Flavelle was there too, and the men that he had in charge of those vessels were not handing them out to their party friends for a song: they were not giving them away. I challenge the Minister to show the prices at which they sold.

Hon. Mr. DANDURAND: I thought you had some of the prices.

Hon. Mr. BENNETT: The honourable gentleman knows that time and again I have asked for the prices they sold for.

Hon. Mr. DANDURAND: Is there not a figure in the last statement I gave?

Hon. Mr. BENNETT: You have not yet told the price at which the Merchant Marine vessels were sold.

Hon. Mr. DANDURAND: Why should it not be given?

Hon. Mr. BENNETT: Because it will be a scandal.

Hon. Mr. DANDURAND: Has my honourable friend asked?

Hon. Mr. BENNETT: I have begged and implored and insinuated, and done everything else I could.

Hon. Mr. DANDURAND: Has the honourable gentleman put a question on the Order Paper?

Hon. Mr. BENNETT: No. When I put a question on the Order Paper asking how much was paid for the carriage of coal, the answer was that it was not in the interest of the country that I should be told.

Hon. Mr. DANDURAND: But the honourable gentleman got the figure all the same.

Hon. Mr. BENNETT: I got the figure in this statement to-day, at the last moment, when these men say in their precious document that I knew it before. I was told in confidence, on condition that I would not use it, and I never did use it. It is stated that you were paying those buccaneers 45 cents a ton for carrying coal.

Hon. Mr. DANDURAND: That was a low rate, I understand. My honourable friend thought it was 50 cents.

Hon. Mr. BENNETT: I did not think it was 50 cents, but I made a computation in my mind at that time. I said if it were 50 cents it would amount to half the tonnage.

The honourable gentleman attempts to deride what has been done by the honourable gentleman from New Westminster (Hon. Mr. Taylor) in trying to obtain an inquiry with one object, and only one object in view, the good of the country. It is useless. I know the honourable gentleman will not ask the Management to-morrow: "Why did you place two contradictory statements in my hands, and make of me a sorry exhibition?" That is what has happened, because the honourable gentleman has read a statement one day that was directly at variance with another, and with the truth. One, and one only, can be true.

Hon. Mr. DANDURAND: I could get the same parties to reply to my honourable friend and to file another statement, and so it would continue from day to day and from year to year.

Hon. Mr. BENNETT: After the untruthfulness of those two men, I can well believe that they would sign any statement you wanted them to sign. I believe that men who breathed the atmosphere of the Grand Trunk offices at Montreal, as evidenced before Judge Cassels, will do anything except murder. The reason they will do anything for this Government is that they know that with the outgoing of the Government they will go out. They knew that before the last election, and that is the reason they took up the private correspondence of Sir Joseph Flavelle and exhibited it before the Montreal Star would publish it. The honourable gentleman may be proud of what their protégés did.

The honourable gentleman has insinuated all the way through that I have had some ulterior motive. If that is so, he must assign to the honourable gentleman from New Westminster (Hon. Mr. Taylor) the same reason for bringing up the charges that he raised.

The honourable gentleman has stood there and read these statements. True, he was able to empanel and bring to his assistance a couple of his supporters who replied to the

charges of the honourable gentleman from New Westminster (Hon. Mr. Taylor). The honourable gentleman from Sarnia (Hon. Mr. Pardee) really did not reply at all. He made a lot of adulatory statements about the Management, but, lawyer-like, he avoided an answer, as he knew there was no answer to be given. It is true the honourable gentleman from Ottawa (Hon. Mr. Haydon) tried to excel himself in his maiden effort, and shouted at the top of his voice that Captain Boyd was an old fool. That sort of language ill becomes the honourable gentleman from Ottawa—that sort of language, when applied to Captain Boyd, who wears on his breast His Majesty's decoration for splendid services during the war. Let me tell the honourable gentleman that to-day one of the newspapers in Vancouver has sent forward for copies of the evidence in that case—to publish, I suppose; for on the coast to-day the Merchant Marine stinks in the nostrils of the people.

Hon. Mr. DANDURAND: That is not the news I have got from there.

Hon. Mr. BENNETT: I have heard it. But if the honourable gentleman thinks the exhibition made by the Merchant Marine is all right, very well; that is his affair. We have the published Government reports which show a profit; but others show that there is none.

Hon. Mr. DANDURAND: A profit by the Merchant Marine?

Hon. Mr. BENNETT: Yes, I read from a report of the Special Committee.

Hon. Mr. DANDURAND: The honourable gentleman is speaking of the profits on certain ships, not of the Merchant Marine in general.

Hon. Mr. BENNETT: Of the Merchant Marine on the upper lakes.

My interest in this matter throughout has been simply this. I have always been very much concerned in the future of Canada, particularly from the transportation point of view. Ever since I first occupied a seat in the House of Commons, dating back thirty years, I have taken a great interest in that question. I live in a town which is greatly interested in the question of transportation. I live in a town where the Government has millions of dollars invested in wharves to which they have a railway, and I see, to my disgust and dismay, that the Government, instead of assisting its own railways and elevator business there through its Merchant Marine, is doing things that result in the depreciation of that property in every way. The elevators are empty; the railways are not carrying grain out; there are cars on sidings everywhere and all these could be doing business.

By reducing the rates, if necessary, on those boats, with a joint service from the head of the lakes to Midland and from there to Montreal, a large business could be done. The same could be done through Collingwood and through Depot Harbour to Montreal. But, instead of that, with these incapables handling this Merchant Marine—

Hon. Mr. DANDURAND: —appointed by my honourable friend.

Hon. Mr. BENNETT: —and retained by them while they were honest and faithful, and retained by the present Government when they were dishonest and unfaithful—

Hon. Mr. DANDURAND: There is a presumption against my honourable friend's theory.

Hon. Mr. BENNETT: Not at all.

And now I am going to ask the honourable gentleman and the House to grant me a Committee.

Hon. Mr. DANDURAND: Next year?

Hon. Mr. BENNETT: I ask for the Committee now. While I ask for the Committee, I must say that I do not expect that there will be any inquiry under it; but I ask that the motion be passed, and, in view of the disclosures that have been made here to-night, I hope the honourable gentleman will be pleased to say that he will consent to the passing of the motion.

Hon. Mr. DANDURAND: I do not suppose my honourable friend is serious when he asks the Senate to vote in favour of a Committee such as is requested by his motion. He knows that the Senate would not pass that motion, for various reasons. I know he will be satisfied with having had the last word in this long-drawn-out discussion, and will ask leave to withdraw his motion. We are on the eve of prorogation, but next Session, if he believes that there is a certain question that should be investigated, he can come again before the Senate which will then in its wisdom decide whether it should carry on an investigation.

Hon. Mr. BENNETT: Do I understand that the honourable gentleman now refuses to grant an inquiry?

Hon. Mr. DANDURAND: Certainly.

Hon. Mr. BENNETT: The honourable gentleman refuses to grant an inquiry?

Hon. Mr. DANDURAND: Yes, and I have stated why. There could not be a general inquiry in the form in which the honourable gentleman has asked for it.

Hon. Mr. BENNETT: I forgot about one matter. Paragraph f of this motion says:

Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deemed necessary to inquire into.

I am willing that that clause should be dropped, and I may say to my honourable friend that if he grants the Committee without a vote being taken, I do not anticipate that I will call any witnesses in the next two days.

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

The Senate adjourned until 11 a.m. tomorrow.

THE SENATE

Thursday, July 17, 1924.

FIRST SITTING

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS STEEL RAIL CONTRACT

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did the management of the Canadian National Railways recently contract with the British Empire Steel Corporation for deliveries of steel rails; and if so what descriptions and quantities, and when are deliveries to be made?

2. At what prices has the British Empire Steel Corporation agreed to deliver rails?

Hon. Mr. DANDURAND: I gave the answer yesterday, but withdrew it. I will now lay it on the table and it will appear in Hansard.

1. Yes. 12,000 gross tons of open hearth steel rails 100 lbs. A. R. A. type A rail section in accordance with Canadian National Railway Specifications. Deliveries to be made as required by Canadian National Railways.

2. $46 per gross ton free on board cars on Canadian National Railways' tracks at Sydney, N.S. with protection against decline in price.

DIVORCE BILL

FIRST, SECOND AND THIRD READINGS

Bill Z6, an Act for the relief of Charles Dawson Carlyle.—Hon. Mr. Blain.

Hon. Mr. BENNETT.

CANADIAN NATIONAL RAILWAYS—BOARD OF DIRECTORS

INQUIRY

On the Orders of the Day:

Hon. Mr. BENNETT: Last night, in the course of the remarks made by the honourable gentleman, he stated that Mr. Talbot was still a director of the Canadian National Railways. On referring to the last report published over the signature of the President of the road, I find that the name of Mr. Talbot does not appear. Mr. Décary is the only director from the province of Quebec. I would ask the honourable gentleman to let the House know as soon as possible what the situation is in this regard.

Hon. Mr. DANDURAND: I had occasion last evening to say that Mr. Talbot was a director, and I am still of that opinion. Probably the names which the honourable gentleman saw were printed upon forms which went out before Mr. Talbot came in.

Hon. Mr. BENNETT: No, it is the annual report of this year. I have it in my room. A list of the directors is given, but Mr. Talbot's name is not there.

Hon. Mr. DANDURAND: There must be an error. However, between now and three o'clock this afternoon I will endeavour to confirm the information.

THE INTER-ALLIED CONFERENCE

INQUIRY

On the Orders of the Day:

Hon. Sir JAMES LOUGHEED: I observe by the morning press that the Hon. Mr. Belcourt, the senior member for Ottawa, is attending as a representative of this Government the Inter-Allied Conference dealing with reparations being held in London. Will my honourable friend be good enough to inform the House as to the correctness of that report? I am not aware that Parliament has been informed of that fact or had any knowledge of it until this morning's cabled report, which says:

Official information regarding the status of Senator N. A. Belcourt, of Canada, as a representative of the Dominion at the inter-Allied conference which opened here to-day is lacking, but it is understood that an arrangement satisfactory to Canada has not yet been agreed upon.

The Daily News to-day says that the British Government has suggested a panel arrangement whereby the dominions would be represented at the sessions alternately. Senator Belcourt has refused to accept this arrangement. Representatives are being made by the dominions to the Colonial Office, and in the meantime the delegates from the dominions are marking time.

Senator Belcourt arrived in London this afternoon.

It seems to me that it is unusual that a member of the Government is not present on such an important mission. Not that Senator Belcourt would not represent Canada just as well as a member of the Government. Will my honourable friend be good enough to inform the House as to the correctness of this report and as to the extent of Senator Belcourt's instructions?

Hon. Mr. DANDURAND: I have general information which I could impart to the Senate, but in such an important matter I would rather do so as the mouthpiece of the Government. I therefore crave the indulgence of my honourable friend until 3 o'clock this afternoon, when I will bring to him information which will be official. I do not know what information it has pleased the Prime Minister, who is also Minister for External Affairs, to impart to the other Chamber; but at 3 o'clock I will be able to give certain information to my honourable friend. I think he will learn that we have done all that could be expected of the Canadian Government.

Hon. Sir JAMES LOUGHEED: The day being cool, it will keep until then.

TORONTO TERMINALS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 258, an Act respecting the Toronto Terminals Company.

He said: Honourable gentlemen, in moving the second reading of this Bill, I must confess considerable personal ignorance of the work which is to be undertaken in Toronto. I have occasionally heard echoes of the clamour of that city for the carrying out of this work. I take it for granted that it is imperative, but as I cannot impart to the Chamber my personal faith in the orthodoxy of the line of work proposed, I would prefer that gentlemen who are more familiar with the whole history of the case and with the advantages of this method of settling the problem should be heard on this occasion.

Hon. Sir EDWARD KEMP: Honourable gentlemen, this question of the terminal facilities and the viaduct at Toronto is about eighteen years old. For eighteen years the question has been before the city of Toronto, the public, and the railways.

One of the difficulties that confront the city of Toronto arises from the fact that before Toronto became a city the railroads were laid out and the city later grew around them. Tracks commenced to multiply, and the city was shut off to a certain extent from the harbour except by the use of level crossings. About eighteen years ago a movement was set on foot to obviate the difficulty by building bridges over the railroads or by raising the tracks. Since that time there has been difficulty in arriving at an agreement between the Canadian Pacific railway, the Grand Trunk railway—now the Canadian National railways —the city of Toronto and the Harbour Commissioners. Questions concerning this matter have been dealt with by the Railway Board and by the Privy Council, and decisions have been given by both those bodies. But nothing has been done.

The present Union Station in Toronto, into which all the railroads run, was built fifty years ago. I do not know just what the population of the city of Toronto then was, but I suppose it could not have been very much more than 50,000 or 60,000. I suppose there is not such another station in any other city on the continent. The facilities are entirely inadequate for the traffic. I myself have been on a fast express train that has had to wait outside this station half an hour or more before it could get in, and I have been on trains that you could not get off when they did get into the station because of the baggage and express and mail-matter that was piled on the platform. When you did get to the platform, you had to shuffle around trains and across tracks before you could get out.

This is not a question that affects the whole of Canada to any great extent. After all these years, all the contentions that have arisen have been decided, and the Canadian Pacific railway, the Grand Trunk railway, which is now the Canadian National, the city of Toronto, and the Harbour Commissioners of that city have come to an agreement. There is a terminal company, which is composed of certain representatives from the railways. This legislation empowers that company to go ahead and raise the money.

There is a new Union Station in the city of Toronto which is one of the most beautiful and convenient stations on the continent. It has been built at considerable expense, and belongs to the Terminal Company. It has been lying idle for many years because the different parties interested have not been able to come together. Finally, a few weeks ago, I understand, the Government took the matter up through the Minister of Railways, and he authorized Mr. Dubuc, the Chief Engineer of the Department of Railways and Canals, to go to Toronto and to report as to what he thought would be the best solution of the problem.

Fortunately, Mr. Dubuc has been able to make a report which is concurred in by all the contending parties, and the Minister of Railways, after consultation with all the parties concerned, has brought in this Bill, which has passed the House of Commons, and is now before us for confirmation. The report recommends a modified form of viaduct, and the expense to be incurred is put at $28,476,172 as against the sum of $34,600,000 which was the estimated cost in 1921. The Government is interested in this matter only indirectly, through the obligations which the Grand Trunk railway assumed before it became a part of the Canadian National Railway system.

It will take about five years to complete this work. The allotment of the proportions of the cost which the different parties will have to pay has not yet been made, but will be made in due course—by mutual arrangement, if possible. If that is not possible, it is altogether likely that the Railway Commission will have to decide the matter.

Hon. Mr. BEIQUE: What is the amount already expended?

Hon. Sir EDWARD KEMP: I have not got the figures of the expenditure already incurred. That has been chiefly on the new Union Station. That building, which is a very beautiful one, as my honourable friend knows if he has been recently in the city of Toronto, has been standing idle for a long time. It was built by the Terminal Company at a cost of many millions of dollars. The amount which the Government will ultimately have to contribute will be somewhere in the neighbourhood of $7,000,000.

At no time since this work was contemplated has it been expected that either the railroads or the city of Toronto could pay the money required out of revenue. It was always understood that it would have to be borrowed by the Terminal Company and by the city. So this is not a new liability, but a liability which was assumed by the old Grand Trunk and the C.P.R., and I trust the work will be carried on. I do not think there is anything of a very contentious character in the Bill.

Hon. Mr. DANDURAND: I have received a memorandum which bears the signature of the Chief Counsel of the Canadian National Railways. As it is short, it may be well to put it on Hansard, although it may cover some of the ground already covered by my honourable friend from Toronto (Hon. Sir Edward Kemp). This memorandum says:

The Act respecting this company was passed in 1906 and was originally intended to cover only the construction of joint passenger facilities at Toronto. The capital stock was fixed at two million dollar and the Company was authorized to issue securities to the extent of three million dollars. After the Act was passed, the city applied to the Board of Railway Commissioners for Canada for an order for a viaduct elevating the tracks of the Grand Trunk and Canadian Pacific along the water front between a point near Bathurst street, on the west, and a point near Queen street, east of the Don, with a branch taking in the C.P.R. line running north along the west bank of the Don river to Queen street.

The Board, by an Order dated the 9th June, 1909, ordered the construction of such a viaduct with openings or subways at all the streets then crossing the tracks. The construction was also ordered of bridges at John street and Spadina avenue over the viaduct, and a bridge at Eastern avenue. The city was required to pay to the railway companies one-third of the cost of the viaduct, the said bridges and certain other portions of the works ordered and one-third of land damages. The proportions in which the cost should be borne as between the two railway companies were to be settled by the Board. The viaduct was to be constructed within two years from the date of the Order.

Appeals against this Order were taken to the court and, afterwards, to the Governor in Council and, while the latter was pending, the parties (together with the Toronto Harbour Commissioners) made an agreement, dated 31st July, 1913, which was approved by an Order of the Board.

This agreement changed the location of the viaduct east of Yonge street and, instead of its being constructed along the Esplanade, the agreement provided that it should be built on practically a straight line through the water lots south of the Esplanade. The Great War commenced shortly after this and no work was commenced on the viaduct itself. In the meantime the bonding powers of the Terminals Company were increased from three to fifteen million dollars, and the company went on with the construction of the Union Station. This was completed about 1921, but has not yet been used as a station.

Amalgamation of Grand Trunk in 1923.

Visit and report of Colonel Dubuc.

Section 1.—Is intended to wipe out previous Orders and Agreements, so as to make a fresh start.

Section 2.—In accordance with Colonel Dubuc's report, a viaduct is to be built, which will in most respects be similar to that provided for by the Agreement of 1913. The construction of bridges at John street and Eastern avenue will be dispensed with and also subways and openings under the viaduct for the prolongation of Scott, Church, George, Frederick and Trinity (2) streets.

Section 3.—Provides for the apportionment of the cost by the Board in case the parties do not agree upon it, and makes special provision for the cost of raising the C.P.R. coach yards at York street consequent upon the construction of a subway at York street. This controversy was settled by the Board in 1914, which directed that as the city insisted upon this subway it should compensate the C.P.R. for its lands taken and damages to its facilities by reason of the opening of York street.

Section 4.—The Act of 1915 increasing the bonding powers of the Terminals Company also extended the scope of its operations and made it clear that it might by agreement with the railway companies undertake the duty of providing freight as well as passenger terminal facilities. The effect of section four of the present Bill is to further extend the bonding powers of the company from 15 to 30 millions to cover the cost to the railways of the viaduct and the Union Station.

Sections 5 and 6.—Section 15 of the original Act provided that the two railway companies might ac-

quire each one-half of the shares of the capital stock of the company and might guarantee bonds or other securities of the Terminals Company.

As the Canadian National, under section 29 of its Act of 1919, has the power, with the approval of the Governor in Council, to acquire, hold, guarantee, pledge and dispose of securities of any terminal company it has been thought proper to eliminate the specific power in section 15 to guarantee the Terminals Company securities but as the Canadian Pacific has at present no such powers section 5 of the Bill empowers the Canadian Pacific to guarantee one-half of the securities of the Terminals Company. As an alternative to such guarantee the Canadian Pacific is authorized to issue debenture stock to acquire one-half of the securities of the Terminals Company. The language used in subsection (2) of this section is in conformity with the Canadian Pacific legislation.

Section 6, subsection (1) of the Bill re-enacts the power to the Canadian National to acquire one-half the capital stock of the Terminals Company.

Subsection (2) empowers the Canadian National to issue securities not exceeding $3,577,500 to purchase securities to be issued by the Terminals Company to repay one-half of the advances which have been made to the two companies jointly by the Bank of Montreal for the construction of the Union Station.

Subsection (3) further empowers the Canadian National to raise by the issue of securities an amount not exceeding seven million dollars to be used in the purchase of one-half of the Terminals Company's securities. It is provided that the securities issued under this subsection and subsection (2) shall not together exceed the par value of one-half of the securities issued by the Terminals Company. It is considered that these amounts together with the value of the lands of the Canadian National to be conveyed to the Terminals Company for the purposes of the viaduct works will be sufficient to pay for one-half of the said securities of the Terminals Company.

Subsection (4) provides for the guarantee by the Crown of the Canadian National securities to be issued under the preceding subsection.

Section 7.—Provides for the completion of all the work within five years from the coming into force of the Act.

Section 8.—Provides that an agreement should be entered into in terms approved by the Governor in Council before the Act is brought into force.

Hon. Mr. McMEANS: The Government guarantee the bonds only of the Canadian National Railways as their share. They do not guarantee the bonds of the C.P.R.?

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: It would be interesting to know what amount has been expended by the Canadian National Railways or the Grand Trunk Railway up to this date, and approximately what further amount that Company is expected to bear; also what additional amount the Government will be asked to bear directly. I understand the lowest amount would be about $7,000,000 or $8,000,000. If the honourable gentleman could give us that additional information it would be interesting.

Hon. Sir EDWARD KEMP: I think the honourable leader has the information in the document which he read.

Hon. Mr. BEIQUE: No, it is not there.

Hon. Mr. DANDURAND: We could perhaps take the second reading, and then go into Committee on this Bill this afternoon, and I will have the Deputy Minister of Railways present to give us all the information we will need before we examine into the details of the Bill.

Hon. Mr. BLACK: I would like to point out that this is really a question not only for Toronto, but one that affects more or less the whole of Canada. Practically all the through traffice from the Atlantic to the Pacific goes through Toronto, and in many cases the passengers have to transfer and perhaps wait for an hour there. The same remark pertains to an immense number of American tourists who come through for the Thousand Islands or Muskoka, and have to change there for trains in all directions. There is that old ramshackle building, which is really a disgrace to any city, or even to a town. On the other hand, there is already a splendid building which could handle all the traffic for the general benefit of the public. I sincerely hope that the Bill will go through without any trouble.

Hon. Mr. REID: I would like to say a word or two about this matter. This scheme began about 18 years ago. The Terminal Company was incorporated, and the work was started by the railway companies building the new station, which was one of the important parts of this project. They expended about $5,000,000 on the station and other work. The war came on when they were nearing the completion of the station, and that delayed the work.

I understood a few years ago that the original work was to cost somewhere about $30,000,000, but in this new scheme the total expenditure has been reduced by about $5,000,000. The original agreement was, as I understand, between the C.P.R. and the Grand Trunk Railway, each assuming one-half of the liability for the work. There was some question as between the city of Toronto and the railway companies, but they went before the Board of Railway Commissioners, and after several meetings judgment was finally rendered by the Board as to the work that was to be done by the two railway companies, the city, and the Harbour Commission. The Harbour Commission had to expend money to improve the harbour, on account of the changes made by the raising of the railway tracks, and I understand that that Commission has expended quite a number of millions in connection with this work, and a

great deal more will have to be spent. Of course, we are not liable for that. As I understand, this project will cost the city of Toronto some $6,000,000 or $7,000,000 for its share of the work.

The point I wish to make is that those railway companies made this agreement 16 or 18 years ago, and when we took over the Grand Trunk Railway we agreed to assume all its liabilities; so we are bound to carry out the pledges made by that company unless there is something that would justify us in repudiating them. Under the agreement a great deal of work has been done, including the building of the station. I think there is no member of this House who has not visited Toronto and seen the condition of affairs there. Something must be done, for Toronto is growing, the traffic is increasing, and under present conditions the lives of people are in danger on account of the way they must enter and leave trains. Therefore I hope there will be no difficulty or objection to prevent this Bill going through. As every member of the Senate understands the situation well, because it has been discussed in the newspapers for many years, it will not be necessary for the Bill to go to a special Committee. I think we can properly deal with it in Committee of the Whole; and, if the House passes the Bill, it will only be carrying out the agreement betwen the two railway companies, which was verified and settled by the Board of Railway Commissioners. It will thus be doing a work which in my judgment will save the lives of many people travelling through Toronto in the future.

Hon. SMEATON WHITE: I would like to ask the honourable leader of the Government if, when he brings this Bill forward this afternoon, he can give us any information as to an improvement of the terminals of the Canadian National Railways in Montreal. As those terminals exist to-day, they are even worse than the situation with which this Bill proposes to deal. I would like to know whether any programme has been thought of or proposed with reference to Montreal.

Hon. Mr. DANDURAND: I will ask the Deputy Minister of Railways.

Hon. Sir EDWARD KEMP: The honourable member from De Salaberry (Hon. Mr. Beique) desired information on two points—first, what money had already been expended by the Terminal Company.

Hon. Mr. BEIQUE: By the Grand Trunk.

Hon. Sir EDWARD KEMP: The money has all been spent by this Terminal Company.

The other point was, what liability the Government were assuming. Regarding the last question, I do not understand that the Government are really assuming any liability at all. The Board of Railway Commissioners a good many years ago gave a decision which forced the railways to go on with a certain plan to which they had agreed. In 1912 the railways appealed to the Governor General in Council, and while the matter was pending they submitted plans for what was known as the 1913 viaduct—a six-track structure, in place of the four-track viaduct of 1909. Sir Henry Drayton, then Chairman of the Railway Commission, presided at informal meetings of railway, city and harbour officials, and those meetings resulted in the viaduct agreement of July 29th, 1913, which was executed by E. J. Chamberlin for the G.T.R., the late Lord Shaughnessy for the C.P.R., Mayor Hocken for the city of Toronto, and the late L. H. Clarke for the Harbour Commissioners. The order of the Railway Commission was taken before the Courts some time ago in order to force the parties who had agreed to it to go on with the work. The plan now suggested is a more economical one. The revenues will be sufficient to cover the charges on the investment of the Terminal Company, so that the Government will not, I understand, really be liable for any money.

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

THE BRITISH PREFERENCE

MOTION AND DISCUSSION

The Senate resumed from July 15 consideration of the motion of Mr. David:

Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

And the amendment moved by the Right Hon. Sir George E. Foster thereto:—

That all the words after "Senate" in the first line of the said motion be struck out and the following substituted therefor:—

"the proper conservation of Canadian Industries and the consequent employment of Canadian labour therein demand the adoption and maintenance of an adequate and consistent protective policy under which also the collateral benefits of reciprocal and preferential trade arrangements with foreign countries and within the Empire respectively can be most effectively secured."

Hon. Mr. F. L. BEIQUE: Honourable gentlemen, I do not think there would be any advantage in continuing this debate much further, and I doubt the advisability of dividing the House on the questions which have

been submitted. I understand that the general opinion would be in favour of leaving the matter as it stands.

I had occasion to state the other day that I was in accord with the principle embodied in the motion by the honourable member for Mille Iles (Hon. Mr. David). I think, however, that the opinion of this House might be more completely expressed in the following words:

The customs preference as presently applicable to Great Britain should be revised so as best to encourage the development of trade and secure fair reciprocal benefits for Canada without injuring any of its legitimate industries.

I think that it was intimated by the right honourable member for Ottawa (Right Hon. Sir George E. Foster) that if the British preference were repealed entirely it would place Great Britain in a position of inferiority to France and other countries.

Hon. Mr. DAVID: Not necessarily.

Hon. Mr. BEIQUE: We cannot lose sight of the fact that Great Britain is our largest customer, and that it is very important that our trade with Great Britain, instead of being curtailed, should be rather extended as much as possible. Therefore I think it would be going too far to repeal entirely the British preference and substitute nothing for it.

As to the principle of the British preference, I desire to add only this. I think it was a very fine thing to have adopted in the interest of Canada when it was adopted, and I think all parties have shared that opinion. It has been stated by an honourable member of this House that Sir Wilfrid Laurier was disappointed at receiving no compensation for it from Great Britain. I think that is a mistake. The honourable member from Mille Iles and the honourable leader of the Government are aware that it is not the case. Sir Wilfrid Laurier introduced and advocated that measure with the primary object of obtaining the abrogation of the German Treaty.

Hon. Mr. DANDURAND: And the Belgian.

Hon. Mr. BEIQUE: The Belgian, the German and other treaties which were interfering with Canadian trade. That object was attained. Another object was to facilitate a reduction of the tariff in some lines in which he thought the rates were too high. Another purpose was to promote the development of Canadian natural resources by inducing English capital to come to Canada. I think that those objects have been attained fully, or in reasonable measure.

But I share the opinion of the honourable member from Mille Iles that this British preference has served its purpose, at least in the main. If it is to be continued, it should be in a much milder form than it has had in the past, and we must deal with Great Britain and all other countries, in the matter of treaties or their equivalent, on a par basis. We must see that we receive advantages equal to those that we give. The preference may be, and I believe it will be, extended to other dominions. I understand that negotiations have been entered into between Canada and Australia and are being continued with that object. For my part I believe that it will be found advantageous for Canada to make trade arrangements with the different Dominions of the British Empire, as well as with Great Britain, but in all those cases the matter should be treated solely on a business basis. It is not a matter of sentiment, and we should see to it that whatever advantages we give to the other Dominions or to Great Britain are reciprocated.

I do not think that I should add anything further at the present time.

Hon. Mr. DANDURAND: Does the honourable gentleman intend to move his sub-amendment?

Hon. Mr. BEIQUE: No. I suggest that the motion remain as it is. I understand that that is the desire expressed by several honourable members.

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

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT

The Senate resumed from July 8 consideration of the following resolution, proposed by Hon. Mr. Dandurand:

Resolved, That the Senate doth unite and approve of the resolution as passed by the House of Commons on Monday, June 30, 1924:

"That is is expedient that section 91 of the British North America Act, 1867, be amended by adding thereto the following subsection in lieu of that set forth in the Address of the Senate and House of Commons to His Majesty the King, adopted by the House of Commons and the Senate respectively, on the 24th and 26th June, 1920:

" '2. An enactment of the Parliament of Canada, if expressed to operate extra territorially, shall have and be deemed to have had, that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada.' "

"And that His Majesty's Government be respectfully requested to promote the necessary legislation for the sanction of the said enactment."

Hon. Mr. DANDURAND: Honourable gentlemen, since we discussed this resolution some incidents have occurred which would justify me in making with the leave of the Senate a general statement of the history of

the proposed legislation. The resolution before us is intended to replace that of 1920, as to the interpretation of which there was a disagreement between our law officers and those of Great Britain. The motion of 1920 reads as follows:

> Any enactment of the Parliament of Canada otherwise intra vires shall operate and be deemed to have operated extra-territorially according to its intention in the like manner and to the same extent as if enacted by the Parliament of the United Kingdom.

Honourable gentlemen will observe in that resolution words which are not to be found in the present one, namely, the words, "otherwise intra vires." They were included in the resolution of 1920 because it was considered necessary to indicate clearly that we intended legislating on matters exclusively within the domain of the Federal Parliament, and more especially because the Resolution contained these words:

> In the like manner and to the same extent as if enacted by the Parliament of the United Kingdom.

We meant to make it clear that we were not assuming to legislate extra-territorially except on purely Canadian matters, and it was felt that there could therefore be no danger of our extra-territorial legislation coming into conflict with legislation of the Imperial Parliament or of the other self-governing Dominions. Yet it was because of these last words indicating an assumption of power similar to that enjoyed and exercised by the Imperial Parliament that there arose a difference as to the interpretation of our Resolution of 1920 between the Law Officers of the Crown in Great Britain and in Canada.

It will be noticed that our new proposition eliminates the last words of the 1920 Resolution: "in the like manner and to the same extent as if enacted by the Parliament of the United Kingdom"—the words which have created some confusion in the minds of the Imperial law officers. The proposed Resolution now under review by this Chamber makes it quite clear that we purpose legislating only upon matters relating to or ancillary to the peace, order and good government of Canada. We are now in agreement with the Law Officers of the Crown in London, and are asking them to legislate on lines which are perfectly clear to them.

Yet we are apparently not at the end of our troubles. Though we are in agreement with London, we have now to meet criticism at home. Last week the Prime Minister of Ontario deemed it his duty to complain that this proposed legislation to amend the Constitution of Canada had not been submitted to the four Provinces who were parties to the compact of 1867. In no uncertain tone he declared that the Legislatures of Ontario, Quebec, New Brunswick and Nova Scotia were entitled to give their opinion upon any amendment to the B.N.A. Act, which, he contended, could not be modified without the consent of those four Provinces.

I fully concur in the statement of the Prime Minister of Ontario that a solemn contract was entered into by the Provinces and it should not be varied except with the consent of the contracting parties; yet, in my opinion, there is a distinction to be made. That declaration of the right of the contracting parties is not to be disputed or contradicted whenever the Parliament of Canada assumes to amend the Constitution in any particular affecting the Provinces, but there is, I believe, a broad field of matters which by the compact of 1867 have been assigned to the Federal authorities and remain exclusively within Federal jurisdiction. As to these matters in no wise affecting provincial rights, we may ask the Imperial Parliament for amendments. We have done so in the past, though it is true the Constitution has not often been amended.

The Federal Government in 1920 did not consider that the Resolution it sent to the Imperial Parliament could affect the interests of the provinces in the least. Likewise when the substitute resolution was agreed to between the Law Officers of the British Parliament and our Law Officers there was no idea that the provinces were in the least affected. Yet we have, from a gentleman of the legal profession who stands high in his own Province, the opinion that by this Resolution, if it is carried into effect, the jurisdiction of the provinces may be invaded. I refer to Dr. Baxter, of New Brunswick. Here are his words:

> The moment there is legislation in the words of the proposed enactment I think it is obsalutely apparent that we could not interfere with any provincial legislation within Canada, but we could take a provincial subject of legislation and deal with it extra-territorially. Now, the provinces, it will be said, have no extra-territorial effect to their legislation. That would be the answer that would come to anyone's mind. That is true in a qualified sense but I think it is pretty well established that the provinces have the right to incorporate companies and that while they can only create a company within their territorial ambit yet they may endow it with powers which are capable of being exercised beyond its territorial jurisdiction. That is the result of a series of Privy Council cases decided within the last ten years. That is only one subject that I think of, and the minister will see at once the action that might be taken by some federal parliament in dealing, for instance, with company legislation by the exercise of the extra-territorial power.

This language really sweeps away the limitations between Federal and Provincial

legislation. If we accept that principle of extra-territorial effect it will start a line of argument which no one in this country wants to have opened up.

Hon. Mr. REID: Where did he say that?

Hon. Mr. DANDURAND: He made that statement, and it has had a considerable echo in the press of the country.

Hon. Sir JAMES LOUGHEED: Was it very distant from this point?

Hon. Mr. DANDURAND: I thought I owed it to the honourable gentleman to quote his exact words, so that the Senate might be made aware of his point of view.

Hon. Mr. REID: I would like to know where he said it. I want to see whether it is true or whether it has been made up by the honourable gentleman.

Hon. Mr. DANDURAND: I will try to find the source and impart the information to my honourable friend before the close of the sitting.

Hon. Mr. REID: All right.

Hon. Mr. DANDURAND: If the honourable gentleman doubts the authenticity of the opinion I will inform him of the source.

Hon. Sir JAMES LOUGHEED: Would my honourable friend say at what page of Hansard that appears?

Hon. Mr. REID: Yes, the page number will do.

Hon. Mr. DANDURAND: I find a similar expression of opinion at page 3964 of the Debates of the Commons.

Hon. Mr. REID: Church Union was on the same page.

Hon. Mr. DANDURAND: I have considered the arguments of the honourable gentleman, and I must confess that I cannot conceive of the Federal Parliament exercising powers extra-territorially which it does not possess under any clause of the Constitution which governs us. Dr. Baxter has imagined the possibility of interference by the Federal Parliament in taking a subject under section 92 of the British North America Act, which relates exclusively to powers delegated to the provinces, and, while not assuming to legislate for the Dominion of Canada within the limits of the Dominion of Canada, projecting its powers outside the borders of the Dominion of Canada and interfering with the rights of the provinces extra-territorially. This to my mind is so improbable that I believe I could describe it as casuistry.

But that is not the only voice that we have heard expressing the fear that the Dominion of Canada under this resolution might invade the powers of the provinces. I have in my hand a letter from the Attorney General of Ontario, the Hon. Mr. Nickle, addressed to the Minister of Justice. It reads as follows:

Department of Attorney General
Office of the Minister,
Toronto, July 10th, 1924.

Dear Sir,—I have read in the House of Commons Debates on June 30th date that a resolution was moved by you in the House of Commons at Ottawa, the purpose of which resolution is the adoption of an address to the Imperial Parliament for an amendment to the British North America Act, the operative part of which proposed amendment as embodied in your resolution, is in the following words:

"2. An enactment of the Parliament of Canada, if expressed to operate extra-territorially, shall have and be deemed to have had, that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada.

I have no doubt that it is not your desire or the desire of your Government to obtain from the Imperial Parliament legislation which would have the effect of interfering with Provincial rights. I desire, however, on the part of the Government of the Province of Ontario, to point out to you that in the opinion of the law officers of the province of Ontario, an amendment to the British North America Act in the words of your resolution might be interpreted as forming a basis of encroachment upon matters of legislation unquestionably given to the province by the British North America Act.

I desire also, on behalf of the Government of the province of Ontario, to suggest that you, in order to avoid any such construction being placed upon this proposed amendment, insert the words "otherwise within its competence" immediately after the word "Canada" in the first line of the proposed subsection.

I do not need to remind you that the British North America Act was a product of representatives from all the provinces as such, and not as representatives to a Dominion Parliament. The Government of this province is of opinion that the Dominion Parliament should not act in the matter of obtaining constitutional changes, without the sanction of the provinces to its proposals to the Imperial Parliament.

Yours sincerely,

W. F. Nickle,

The Hon. Ernest Lapointe, K.C., M.P.,
Minister of Justice,
Ottawa, Ont.

As I have already said, I do not disagree with the last part of the statement of the Attorney General, except to the extent of the distinction which I made. We are all of one mind as to the necessity of consulting the original provinces that wrote the Constitution which now governs us, and agreed to its terms.

Now, will my honourable friend from Pictou (Hon. Mr. Tanner) allow me to draw his attention to the fact that it is not only in the United Church Bill that we declare that we are legislating within our own judisdiction? The other day he asked whether

I knew of any precedent. I find a precedent in the resolution of 1920, which says:

Any enactment of the Parliament of Canada otherwise intra vires shall operate—

We made it clear that we would only legislate extra-territorially in matters otherwise intra vires of this Parliament.

Hon. Mr. TANNER: I do not think the repetition makes the position any better.

Hon. Mr. DANDURAND: It does not.

Hon. Mr. REID: That makes the United Church Bill all the worse.

Hon. Sir JAMES LOUGHEED: You are making an application to the source from which all our authority comes, namely, the Imperial Parliament, and the Imperial Parliament could engraft on the Constitution a power or right or authority which would enroach on the provinces.

Hon. Mr. REID: If we had known this was all going to be given to the United Church, I think we should have killed the Bill.

Hon. Mr. DANDURAND: I recognize the distinction which my honourable friend makes. As I stated at the outset, there was no intention in 1920, nor is there in 1924, to do anything that would even raise the fears of the provinces which had agreed to the British North America Act. After conferring with the Minister of Justice—although I believe that the amendment suggested is unnecessary— I feel that whenever we can do anything to satisfy the provinces that we are, and intend to remain, upon absolutely constitutional grounds we should do so. Therefore I move to include the three words "otherwise intra vires" after the words "Parliament of Canada."

This in my judgment adds nothing to the resolution; but it will satisfy our friends in the provinces, and will allay their fears, and prevent any discussion arising at university seats or elsewhere, without in any way imparing the effects of the resolution.

Hon. Mr. REID: I would like to ask the honourable leader of the Government if the words he proposes to add to the resolution are the words that the Attorney General of the province of Ontario asked to be added to the resolution.

Hon. Mr. DANDURAND: The words suggested by the Attorney General are: "otherwise within its competence." The Minister of Justice suggests that we should repeat the words which were contained in the resolution of 1920, namely, "otherwise intra vires." They mean the same thing.

Hon. Mr. REID: Of course, I must take the word of the honourable gentleman or the Justice Department for that. The only point I wish to raise is this. I would like to ask the honourable gentleman if the words he is now substituting were communicated to the Attorney General, or if it has just been suggested this morning that they should be used. Of course, as the matter has been explained by the leader of the Government, it appears all right to me; but lawyers can place different constructions upon words from time to time.

Hon. Mr. DANDURAND: I would suggest to my honourable friend that he should wait until the legal gentlemen have expressed a doubt. The words have absolutely the same meaning, with this advantage in favour of those I have suggested, that they have already been reviewed by the Imperial authorities in the resolution of 1920. I think that all members of the legal fraternity in this Chmaber will admit that the meaning of the words is exactly the same.

Hon. Mr. REID: It would not take more than ten or fifteen minutes to telephone to the law officers in Toronto and inform them that you are suggesting certain words. If that were done, it would be much more satisfactory to members who have to consider and vote upon this question.

The British North America Act, our constitution, was agreed upon by representatives of all the prvoinces sitting around the Table. From 1867 to the present time, there have been only two or three amendments to that Act. It has worked well, and the changes that have been made have been minor ones. It strikes me that, in order to maintain harmony throughout the Dominion as a whole, it would be well either to call the premiers of the provinces together and consult them, or to send the resolution to them so that they might see it. In my judgment, the very fact of taking them into the confidence of the Government and getting an expression of opinion from them would make for harmony. Here is a resolution that was introduced in the House of Commons within the last two weeks.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. REID: On the 30th of June, I understood the leader to say. At all events, Mr. Nickle's letter was dated the 30th of June.

Hon. Mr. DANDURAND: The resolution must have been introduced before that. The debate took place on the 30th of June.

Hon. Mr. REID: It could not have been very long before that, and it was introduced without the provinces having seen it at all. The first intimation of it that the province of Ontario had was its appearance in Hansard. How do we know that any of the other provinces know anything about it? They may not have had any one to read Hansard for them. The result is that we have changed the constitution without the provinces knowing anything about it. After a while something may turn up which interferes with provincial rights, as suggested by Dr. Baxter.

Hon. Mr. DANDURAND: Which he thinks interferes.

Hon. Mr. REID: Which he thinks interferes. The very fact of his thinking it is a justification for giving the provinces an opportunity to express their opinion. We should not touch the Constitution without consulting the provinces, or at least notifying them of what we are doing. We should say to them: "You framed this, and we believe it is in the interest of the Dominion that it should be amended in a certain way. If you have any objection to what is proposed, let us know what it is." I am speaking as only one representative from the province of Ontario, but I feel that the province has certain rights under the British North America Act. I do not believe that there is any intention on the part of the Government to interfere with those rights, but I would like to know that the provinces are satisfied with the amendment. A telegram might be sent to the Prime Minister or the Attorney General of Ontario, saying: "All law officers prefer these words," stating the wording proposed, "and say they have the same meaning as the words you suggest. Have you any objection?" We could have an answer in an hour or two, and so far as I am concerned, I would be pleased to know that, so far as Ontario is concerned, the protest had been withdrawn. Its withdrawal would no doubt have a great effect on the other provinces, in case they had not been consulted. That is the position I take. Perhaps I am asking too much, but with a Bill of this importance, so serious that the first little thing might cause friction in our provinces, I think we would be only doing our duty if we got the provinces committed so that there could not afterwards be any fault found.

Hon. Sir JAMES LOUGHEED: May I point out to my honourable friend that the language used will only lead to confusion, and that it does not express what he desires. Why put the word "otherwise" in there? It should really read:

An enactment intra vires of the Parliament of Canada, if expressed, etc.

But my honourable friend has put it:

An enactment of the Parliament of Canada otherwise intra vires—

Which is the very opposite of what is desired.

Hon. Mr. REID: That only confirms my opinion.

Hon. Mr. DANDURAND: I am ready to accept that change.

Hon. Mr. REID: Would the honourable gentleman have any objection to stating whether that is satisfactory to the province of Ontario?

Hon. Mr. DANDURAND: This is the A B C of the question, my honourable friend.

Hon. Mr. TANNER: I think there is a good deal in what my honourable friend from Grenville has said. Of course it may be said that in the Senate the provinces are represented. At the same time, there is ground for the argument which he has presented.

The point, however, to which I would like to draw the attention of the leader of the Government is that the Senate is primarily and particularly the custodian of provincial interests and provincial rights. Instead of legislation of this kind coming down from the House of Commons at this very late stage of the Session, I submit to my honourable friend that such legislation should be first introduced in the Senate, so that the body which is primarily intended to look after the interests of the provinces might have ample time to go fully into these questions. I am not entering into any debate in regard to this particular measure; but in a general way I think it would be the right policy for my honourable friend, if any other amendments are proposed during his incumbency, to see that they are brought down early, and submitted first to this Chamber.

Hon. Mr. DANDURAND: That is a very good suggestion, which I will submit to the Minister of Justice.

Hon. Mr. BLONDIN: Will the honourable gentleman tell us what position the Government of Quebec has taken, if any? I think I saw in the newspapers a report of some kind of objection.

Hon. Mr. DANDURAND: Nothing has reached the Department of Justice except the letter from the Attorney General of Ontario.

Hon. Mr. BLONDIN: But they have not been consulted?

Hon. Mr. DANDURAND: No. The honourable gentleman will observe that this legislation is not of yesterday; it goes back to 1920.

Hon. Mr. BLONDIN: They were consulted at the time?

Hon. Mr. DANDURAND: I do not think so, because the Minister of Justice, the Right Hon. Mr. Doherty, and the Cabinet to whom he submitted his proposition, were so absolutely convinced that they were simply projecting the federal powers extra-territorially, that it never occurred to them that, by some flight of imagination it would be thought to encroach upon provincial powers, which, though sacred within the Dominion, could yet be invaded outside. I cannot reconcile myself to that hypothesis; but as it is very easy to calm all such fears, and as it is our agreeable duty to do so, I agree to this amendment.

Hon. Mr. BLONDIN: I think I remember clearly having seen in the Montreal Gazette a report of statements made in Quebec, according to my impression, by Mr. Taschereau. I am not stating this as absolutely definite, but I am certain I saw a report in the Montreal Gazette respecting some opposition in Quebec, which I inferred came from Mr. Taschereau.

Hon. Mr. DANDURAND: Not to this actual legislation. My impression is that I saw something in the form of an echo of the speech delivered by the Prime Minister of Ontario, saying that he was in accord as to protecting provincial rights, that is, speaking generally.

Hon. Mr. REID: May I ask if the motion now to be put disposes of this resolution?

Hon. Mr. DANDURAND: Yes, it carries the modified resolution that I propose.

Hon. Mr. REID: I wish to ask the honourable leader of the Government to let this resolution stand until the House meets at 3 o'clock. I will tell him why. The proposition that I made was to ask the Ontario Government if this was satisfactory to them. That request I thought he would carry out but if he does not wish to do so, I will myself telegraph and ask if it is satisfactory. If it is, I will have nothing more to say.

Hon. Mr. DANDURAND: But my honourable friend will realize that similar courtesy would have to be extended to the other provinces.

Hon. Mr. REID: No, because the Government now refuses to ask the other provinces. As a member of the Senate, I ask that this resolution stand for a few hours, in order that I may ask the Ontario Government that question.

Hon. Mr. DANDURAND: But when all the legal gentlemen in this Chamber state that the amended resolution which I propose is absolutely in conformity with the suggestion of the Attorney General of Ontario, surely my honourable friend would credit the legal fraternity in this Chamber with enough light to ascertain if the resolution is on all fours with the suggestion of the Attorney General of Ontario. If we so believe, surely we do not intend to go and ask the Attorney General of any province, for we would need to ask all the Attorneys General to kindly cross our t's and dot our i's.

Hon. Mr. REID: The honourable gentleman says that all the legal gentlemen of this House think it is the same, but other legal gentlemen I have heard say it is not.

Hon. Mr. DANDURAND: I beg the honourable gentleman's pardon. The message has been somewhat modified at the suggestion of the honourable the leader of the Conservative party in this Chamber, who is a bright light of the legal fraternity in this Chamber.

Hon. Sir JAMES LOUGHEED: Do not throw it all on me. What about the honourable gentleman from De Salaberry?

Hon. Mr. DANDURAND: And we have the honourable gentleman from De Salaberry (Hon. Mr. Béique), who will give his own opinion, I presume my honourable friend will recognize that that honourable gentleman has some standing in the legal fraternity. All the others need not rise, provided that when they sit and tacitly agree, that means that they all agree.

Hon. Mr. REID: In answer to that statement, I would say that the honourable gentleman told us, when he introduced this resolution, that the law officers of the Crown here said that it did not interfere with provincial rights.

Hon. Mr. DANDURAND: Yes, and it does not.

Hon. Mr. REID: But after the Attorney General of Ontario brings it to the attention of the Government, and the protest comes before the law officers of the Crown as expressing a doubt, they then realize that there may be some doubt, and they add some words to the resolution.

Hon. Mr. DANDURAND: No, they do not realize that there may be some doubt.

The Attorney General of Ontario stated that he had read the debate, and had observed the point made by the Hon. Dr. Baxter. Although it is a very fine point, he drew the attention of the Minister of Justice to it. While the Minister of Justice and the Department do not think that the point is well taken, we say, "Well, there is no objection to agreeing to the modification." Should not that satisfy my honourable friend, when on the legal interpretation of the amendment all the members of the Bar who sit in this Chamber agree? They declare that the amendment which I propose, somewhat modified advantageously by the honourable leader of the Conservative party, is quite satisfactory. It seems to me that my honourable friend is very hard to convince if he does not accept that action of the Department of Justice, which says "Although we do not believe it is in the least necessary, we want to show the provinces that we are fully desirous of meeting even the vain fears that they may entertain."

Hon. Mr. REID: After all, honourable gentlemen, my request was in order that we should have this Bill go through without the slightest feeling from any of the provinces, and here is a province that did raise an objection. The honourable gentleman says that he is removing it; but the same words are not being used, and the request of the law officers of that particular province is not being complied with. I do not think that it would be only treating them with fairness, and remove any cause of trouble, if the request were acceded to.

Hon. Mr. DANDURAND: I suggest that we send this resolution, as amended, to the House of Commons, and they may take it up this afternoon or evening. In the meantime, my honourable friend may communicate with whom he pleases.

The amendment proposed by Hon. Sir James Lougheed was agreed to.

The resolution, as amended, was then agreed to.

THE EXPROPRIATION BILL

FIRST READING

Bill 117, an Act to amend the Expropriation Act.—Hon. Mr. Dandurand.

REVISED STATUTES OF CANADA BILL

FIRST READING

Bill 119, an Act respecting the Revised Statutes of Canada.—Hon. Mr. Dandurand.

WINDING-UP BILL

FIRST READING

Bill 197, an Act to amend the Winding-up Act.—Hon. Mr. Dandurand.

DEPARTMENT OF CUSTOMS AND EXCISE BILL

FIRST READING

Bill 237, an Act to amend The Department of Customs and Excise Act.—Hon. Mr. Dandurand.

RESEARCH COUNCIL BILL

FIRST READING

Bill 241, an Act to amend the Research Council Act.—Hon. Mr. Dandurand.

FISHERIES BILL

FIRST READING

Bill 248, an Act to amend The Fisheries Act, 1914.—Hon. Mr. Dandurand.

CANTEEN FUNDS BILL

FIRST READING

Bill 253, an Act respecting the disposal of the Canteen Funds.—Hon. Mr. Dandurand.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

Bill 254, an Act to amend the Royal Canadian Mounted Police Act.—Hon. Mr. Dandurand.

VANCOUVER HARBOUR BILL

FIRST READING

Bill 256, an Act to provide for further advances to the Vancouver Harbour Commissioners.—Hon. Mr. Dandurand.

MONTREAL HARBOUR BILL

FIRST READING

Bill 257, an Act to amend the Montreal Harbour Commissioners Act, 1894.—Hon. Mr. Dandurand.

CANADA SHIPPING BILL

FIRST READING

Bill 262, an Act to amend the Canada Shipping Act.—Hon. Mr. Dandurand.

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

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

Routine proceedings.

THE CIVIL SERVICE

REPORT OF SPECIAL COMMITTEE

Hon. Mr. BEIQUE presented the report of the Special Committee on the Civil Service.

He said: Honourable gentlemen, I ask that this report, with some of the exhibits, be printed in the Minutes as a separate part, with a view of saving expense of printing. In a like matter in another place last year there was published a volume containing over 1100 pages of evidence, and it was so voluminous, so bulky, that I am sure nobody would attempt to read it. A report of this kind, if it is to be effective, should be condensed as much as possible. Therefore the Committee has adopted the course of condensing its report and limiting the exhibits to be printed to those which are really of importance.

I may say that the activities of the Committee were rendered somewhat difficult by the fact that so much time was required for the consideration by the Railway Committee on the twenty-six Branch Line Bills. These absorbed the time of many members of the Senate who happened to be on both Committees. However, I think that honourable gentlemen who take the trouble to peruse the report which I am presenting will see that the Committee on the Civil Service has fairly well discharged the duty entrusted to it.

In presenting this report I deem it my duty in a few words to call the attention of honourable members of the Senate to some parts, in order that they may see the importance of the report and be able to judge whether it is on desired lines or not.

The Committee opened its proceedings by procuring from the Civil Service Commission a memorandum containing their criticisms on the present state of things, recommending in what manner the Civil Service should be reorganized, and stating also to what extent the work of reorganization had been carried out, and the results obtained.

After obtaining that report the Committee issued a letter to the Deputy Heads of the Departments, calling their attention to the criticisms that had been made in the press and those contained in the memorandum of the Civil Service Commission. The letter included these paragraphs, amongst others. Referring to the criticisms in the press, it stated:

There may be exaggerations in these criticisms, but it has been for a long time of public notoriety that the Civil Service is considerably over-manned; that there is absence of business methods, lack of efficiency, absence of consultation, duplication of staffs doing practically the same work, and room for a large amount of economy.

The Committee believing that the time has come when the best business methods should be introduced, as far as practicable, in the administration of the departments, has obtained from the Civil Service Commission an important Memorandum, of which the following is a brief summary.

After giving the summary, the letter proceeded:

You no doubt appreciate that it is imperative that the present system referred to above in what it may be defective or too costly be not indefinitely perpetuated.

You are respectfully requested to please extract from the accompanying copy of Memorandum the portion thereof concerning your own department and to furnish to the Committee as soon as possible a Memorandum of your own, embodying your views and suggestion as to the best remedy to be applied.

The Committee is conscious of the magnitude of the task in hand, and to accomplish it earnestly, request from everyone of you the best information, advice and co-operation.

You will be requested to attend from time to time, meetings of the Committee.

In answer to that letter the Deputy Ministers, as requested, sent in their own criticisms. As was to be expected, very few of them were disposed to acknowledge deficiencies in their Departments, and were generally inclined to believe that everything was for the best. However, the Committee obtained sufficient evidence and admissions from several of the Deputy Heads to enable them to report.

For instance, on the question of staff control they differed. Some were of opinion that the control was sufficient and was working satisfactorily; others admitted that it was not, and that the condition ought to be remedied. (Reading):

Some of the Deputy Ministers admitted in effect that throughout the Service there was little or no desire upon the part of the Deputy Heads and the Heads of Branches to co-operate with the Civil Service Commission or otherwise with a view to staff reductions. It was suggested that this was contrary to human nature, that every department was jealous of its importance, the number of its branches, and the size of its staff. It would appear therefore that in some sections of the Service at least there is a strong tendency upon the part of the Deputy Heads and their chief officials not only to fight for the continuation of existing branches and staffs, but to advance every plausible argument for increasing same.

Then the Committee ascertained that with the co-operation of some Deputy Heads the Civil Service Commission had reorganized a couple of Departments, particularly the Printing Bureau. The effect of the reorganization of the Printing Bureau was a saving of about

$750,000 a year. A similar result was attained in one or two other Departments, which shows that there is a very large saving to be effected if the Civil Service can obtain the co-operation of the Deputy Heads of the different Departments.

The Committee also ascertained that there are many buildings owned by the Government and used by the Civil Service, and a much larger number under lease, which are not suitable, not having been built for the purpose, a condition which very seriously affects the efficiency of the Service. (Reading):

The latest figures available (May, 1924) show that the Government is now leasing forty-six buildings with a total floor space of 955,750 square feet, (about 711,000 square feet of which are occupied for office purposes) at a rental of $592,596. In 1900 eleven buildings only were leased; by 1921 the number had grown to 73; last year it was 51. Many of these premises, having been designed for other uses, are quite unfit for offices, and the large number of small buildings has necessitated the employment of many more clerks than would be required under more efficient conditions.

It was generally admitted that the Civil Service was overmanned.

The main causes of the overmanning of the Service appear to have been:

(1) The indiscriminate appointment, prior to the passing of the present Civil Service Act, of persons whose services were not necessary. For this abuse Deputy Ministers cannot be held fully responsible.

(2) Ths building up of large war staffs, and the retention of large numbers after their services had ceased to be necessary until otherwise placed in the Service.

(3) The retention on compassionate grounds of employees who, through inefficiency would have difficulty in obtaining a livelihood outside the Civil Service.

(4) The retention of old employees who have exceeded their period of usefulness, but who have been allowed to continue in their positions in the hope that an adequate Superannuation Act would be passed at some future time.

Then the Committee, after recommending a reorganization, further recommends:

(1) The retirement of employees who, on account of age, have exceeded their period of usefulness, where this can be done without inflicting undue hardship; and the immediate release of inefficient employees.

(2) Careful scrutiny by the Civil Service Commission, after consultation with the Minister or Deputy Minister, of all requisitions for new appointments; no new appointments should be made unless absolute need for the position can be demonstrated.

(3) The abolition of vacancies which have remained unfilled for six months. If a position can stand vacant for that length of time, it is not essential to the organization.

Then it goes on:

The Civil Service Commission should have and is supposed to have by this time a staff trained in organization work and familiar with the requirements of the various Departments. It has already undertaken several important tasks of this nature. The reorganization of the Printing Bureau received very favourable comment from an independent investigatory Committee, extracts from the report of which are appended. The Bureau Staff in 1919 numbered 1,159; by the end of 1921 it had been reduced to 732, and the annual saving in salaries amounted to nearly $750,000.

The recommendations of the Committee are these:

Your Committee therefore recommend:

(1) That when a vacancy occurs in the public service by reason of death, resignation or otherwise, such vacancy be not filled by promotion or otherwise except on report of the Civil Service Commission after consultation with the Minister or Deputy Minister. In case of disagreement the facts should be referred to the Governor in Council for decision, and a report should be made to Parliament respecting all such decisions with the reasons therefor.

(2) That an Order in Council be passed instructing the Civil Service Commission to proceed with the reorganization of those Departments of the public service which have not been reorganized within recent years, and enjoining Deputy Heads to render the Commission the fullest co-operation and assistance. This order should further require the Commission to report to the Governor in Council and to Parliament all instances where their work is hampered or delayed by lack of co-operation upon the part of Deputy Ministers or their chief officials.

(3) That by carefully checking all requests for appointments, by absorbing surplus personnel through transfer and by any other means in its power, the Civil Service Commission use all its endeavours to obviate the necessity of filling vacancies with new personnel; and further that the Commission endeavour to reduce the number of existing positions by having those which are not essential abolished.

(4) That with a view to decreasing staffs and increasing the efficiency of the Service the Government should consider the advisability of proceeding as soon as practicable with the construction of suitable departmental buildings to be erected on property now owned by the Dominion.

The report proceeds to say:

There now seems to be a strong movement in several countries towards introducing better business methods in the administration of public affairs as to which there will be found in the appendix a precis of the activities of the United States Bureau of the Budget from its inception to the end of June, 1923; also references to the extracts from the extracts from the report of the Royal Commission on the Civil Service of Canada (1908)—

And so forth. The final recommendations of the Committee are these:

Your Committee has had under consideration—

(a) The manner in which the Estimates annually submitted to Parliament are prepared, checked, and finally revised.

This goes somewhat outside of the reorganization, and bears specially on the preparation of the appropriation of the public expenditure generally.

(b) The existing administrative machinery to adequately control expenditures after appropriations have been made by Parliament.

(c) The custom prevailing in practically all branches of the Service to continue to expend departmental appropriations regardless of actual current revenue receipts.

In the opinion of your Committee, the practices that have grown up and that have been followed in the past as regards these important matters are inefficient and large economies in controllable expendi-

tures can be brought about by the adoption of modern business methods.

Your Committee therefore recommend that the Government should consider the advisability of making provision at the next Session of Parliament for such method or methods of control as will be sufficient to remedy the practices now prevailing.

By way merely of suggestion, your Committee are inclined to the view that such control might be brought about by the appointment of an officer directly under the Minister of Finance and clothed with sufficient authority—

(a) To call for and supervise the preparation of all departmental estimates.

(b) To submit to the Minister of Finance the Estimates when finally completed, together with a report setting forth in sufficient detail the proposed increases and decreases and the justification thereof.

(c) To keep in touch at all times with the expenditures of all Departments with a view to effecting economies.

(d) To report to the Finance Minister and through him to the Governor in Council all cases where in his judgment the expenditures for certain services should cease or be curtailed together with the reasons therefor.

The Committee is satisfied, and for my part I have no hesitation in saying that if the Government will take the matter in hand and see that the proper machinery is put in motion to give effect to these recommendations, millions of dollars may be saved annually.

Hon. Mr. DAVID: I think, honourable gentlemen, that I express the opinion of all the members of this House when I congratulate the Chairman and the members of the Civil Service Committee on the considerable and good work which they have done.

Some Hon. SENATORS: Hear, hear.

The report was concurred in.

Hon. Mr. BEIQUE: I move that 1,000 copies of the Report of the Special Committee of the Senate on the Civil Service, with appendices numbered 1 to 4, inclusive, be printed for public distribution, and that rule 100 be suspended in so far as it relates to the said printing.

I desire to say that I was inclined to think that the report of the Deputy Ministers in answer to the letter sent to them should be printed. Those answers, or the statements made before the Committee by the Deputy Heads of the Departments, were at first condensed and revised; but latterly it was impossible to continue. As the document would be too voluminous, we have come to the conclusion that it be dispensed with.

Hon. Mr. McLENNAN: I would ask the honourable gentleman who has just moved that 1,000 copies of this report be printed, whether he thinks that is enough. We had 1,500 copies of the report of a Committee of which he was a valued member in 1919. They are just about exhausted now. Requests come in at intervals from universities in the United States and elsewhere for copies of that report. I feel certain that this report will arouse great interest and will be of great value, and I think it might be advisable to increase the number of copies to be printed.

Hon. Mr. BEIQUE: Well, say 1,500.

The motion, amended as suggested, was agreed to.

RUMORED RESIGNATION OF A SENATOR

On the Orders of the Day:

Hon. Mr. REID: I wish to refer to an item in the Standard of Montreal in regard to a member of this honourable body. The article reads as follows:

Ottawa, July 16.—Among the Senators booked to retire soon is the Honourable George Gerald King, of Chipman, N.B., father of the Hon. Dr. King, Minister of Public Works.

There are said to be half a dozen applicants for the prospective vacancy. Senator King is among the oldest of the veterans in the Red Chamber. He will be eighty-seven years of age his next birthday and is junior only to Senator Yeo, of Nova Scotia.

Senator King's infirmities are such that the journey to Ottawa is something of a strain and it is understood that he is willing to resign if a suitable successor could be chosen. The Senatorship will, if possible, it is said, be kept in the King family, Dr. King's brother being the man mentioned. As some objection is raised by the other candidates at having so many Kings in Parliament in a democratic country, Senator King keeps his job until his trouble is ironed out.

Hon. Mr. DANDURAND: When I reach Montreal, in order to satisfy the mind of my honourable friend, I will hasten to the office of the Standard, and try to find out from the editor if all these affirmations are true.

REPRESENTATION BILL

FIRST READING

A message was received from the House of Commons with Bill 2, an Act to readjust the representation in the House of Commons, which was read the first time.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill. He said: Honourable gentlemen, I am sure I echo the thoughts of all the members of the Senate in saying that since this measure affects directly only the House of Commons, and has been passed with apparent unanimity in that Chamber, the Senate would do the right thing by having the second and third readings at this sitting.

I have pleasure, therefore, in moving the second reading of this Bill.

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

THIRD READING

Hon. Mr. DANDURAND: I move that we dispense with the Committee stage, and have the third reading of this Bill.

Hon. G. G. FOSTER: Before this Bill is read the third time, I desire to make a motion with regard to one particular item in the Bill. I desire to call attention to the name that has been selected for the county of Brome and Missisquoi. The name selected is Missisquoi-Brome. I desire to put before this Chamber a few of the reasons why I ask that this order be reversed. In the first place, in almost every county in the province of Quebec, for all time, it has been the custom, when two counties have been united, to take the alphabetical letter which comes first as the first name that is adopted. This practice was followed in Chateguay-Huntington; it was done in almost every reorganization that has taken place in the province, with a few exceptions, I believe. It may seem a matter of small importance to the members of this House as to whether the name Brome or Missisquoi comes first, but I desire, with some reluctance at this stage of the Session to ask indulgence while I put before this House a statement in order that the Senate may properly understand our feeling, and the particular reasons why we desire that the change should be made in this regard.

Brome county is one of the smallest counties in this Dominion, and is the smallest county in the province of Quebec, but it has had a unique and unusual place in the public life of Canada. Before Confederation, Brome county had the honour of being represented in Parliament by one of the most distinguished men of his time, the Hon. Paul Holland Knowlton, a gentleman who occupied one of the very leading positions in the business and public life of Canada. He was followed just before Confederation by the Hon. Christopher Dunkin, who was Minister of Agriculture and occupied two or three different cabinet positions in the old Government of Canada and in the new Government after Confederation. He was followed by the Hon. Sidney Arthur Fisher, who for almost 30 years contributed to the public life of this country by great and distinguished service, to the honour and credit of the county and the credit of the country. He was followed by Colonel George Harold Baker, whose services to this country and to this Parliament and to the county of Brome are known to every member of this House. In the provincial legislature the Hon. W. W. Lynch served the province of Quebec in many positions as a Minister and as the member for Brome for 17 years, with great distinction. When the Hon. Mr. Marchand started to arrange the finances of the province of Quebec in order that they might meet the proper demands, and stop the waste that had been going on, he did not select a financial expert in Montreal, or Quebec, or anywhere else: he came to the county of Brome and selected Hon. H. Thomas Duffy, who as member for Brome put the finances of that province in such a condition that they have been the envy of every other province since that time. When Mr. Duffy was stricken in the House, Hon. Mr. Parent selected the Hon. Mr. McCorkill who represented Brome, and he for years was Treasurer of the province.

I trust that the honourable members of this Chamber may understand that, having had the services of and association with men of the class, I have mentioned, we have a pride in having the county of Brome continue to hold the position that it deserves, among the first counties in this Dominion.

There is no reason why the name Missisquoi should have been put ahead of the county of Brome. It is resented in the county, it is thought strange in every county in the Eastern Townships. I do not believe that even in the county of Missisquoi there is any special demand that this unusual order should be adopted. I therefore move that the names Missisquoi and Brome be reversed, and that the designation of those united counties be the county of Brome-Missisquoi, and that the Bill be not now read the third time, except as amended.

Hon. Mr. BEIQUE: Honourable gentlemen, apart from the reasons that have been given by the honourable gentleman, there seems to be another reason which appeals to my mind. It is this, that the rule or practice which was mentioned by the honourable gentleman was a wise practice, because it avoids the raising of the question of priority. The selection being determined by the first letter of the alphabet results in all preference for other considerations being put aside.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not know whether a crisis will develop over this difference of opinion between the two Chambers, but I am ready to resist it to the point of a conference, and will agree to the amendment. I do not know how it

will be received in the other Chamber, but there is this added reason for complying with the request, that Brome is the smaller of the two, and I have always had an instinctive leaning towards minorities. Brome feels that because it is the smaller it is being absorbed by the county of Missisquoi, and it would like still to bulk as large as possible on the map. Moreover, I think that phonetically the name Brome-Missisquoi sounds more satisfactory than Missisquoi-Brome. For these reasons I do not object to the amendment.

Hon. Mr. BENNETT: Before the motion is put I wish to make a few remarks on the Bill now before the House. I have no objection to the amendment, but I cannot allow the honourable gentleman's (Hon. Mr. Dandurand's) remarks to go before the country as being correct. It is not true that the Bill passed the House of Commons with unanimity.

Hon. Mr. DANDURAND: May I qualify that and say with fair unanimity?

Hon. Mr. BENNETT: Not with fair unanimity, and I can say, as a member of this House, that had the other House appealed to this House for a fair distribution, even at the risk of the Senate of Canada being denounced by the Globe newspaper or any other journal, I would have defended any action that would have tended to an equitable distribution of the representation of the provinces, which are all concerned.

Let me take a case in the province of Quebec. The city of Montreal, owing to the fact that the honourable gentlemen have no longer a hand on it—politically, I mean—is treated to what kind of consideration? The unit of representation for the city of Montreal is 56,000, while in the same province there are the following counties with the following populations: Argenteuil, 17,165; L'Islet, 17,859; Richelieu, 18,764; Yamaska, 18,840; Beauharnois, 19,888. That is the form of representation that is carried out in that province.

Now let me come to the province of Ontario. Lincoln and Welland have a population of 115,000, which is not altogether rural, because there is a good deal of activity there in manufacturing centers; but they have to submit to one member representing 57,000 people. When you go to the county of Huron and Bruce the unit of representation is only 22,000. Now, mark the difference. Here are the counties of Lincoln and Welland with a population of 57,000 for a member, while the ridings of Huron and Bruce have a combined population of only 90,000, or a unit of 22,000. If that is representation by population, then representation by population has gone wild.

The honourable gentlemen have broken in on every principle they ever laid down for representation by those who preceded them in the public life of Canada. They have ruthlessly broken in on county bounbary lines; they have torn asunder ridings, placing one portion in one riding and another portion in another. For instance, they have so divided the county of Essex that only one object can have been in view, and that is party advantage. Against the protests of the people of that county they have changed the representation of the county from what it is in the Local Legislature.

Take another instance. Geographically the county of Peterborough has hitherto been divided into two ridings, East and West. Now it is tortured to give party advantage by having a portion of it put into the adjoining county of Hastings, and a portion of the old riding of East Peterborough retained in Peterborough. Needless to say, this is the portion from which honourable gentlemen expect a party advantage.

I want to place myself on record to this effect, that this Chamber has, under Liberal Governments and under Conservative Governments, interfered with a view of having proper, honest and fair representation; and if any move had been made in this Chamber in that direction I would have supported it to the end.

I object to the idea going out that this settlement has been agreed on by all parties concerned. There have been protests, particularly in the county of Peterborough, the county council of which has petitioned against the destruction of those ridings, where to-day men go to vote in elections for the Local Legislature, as in the past; but when a Dominion election comes, they will find themselves thrown partly in the county of Hastings and the rest of them in the other riding.

Honourable gentlemen are to be congratulated on this, that on this first opportunity of theirs to pass a Redistribution Bill since nearly 20 years ago they have outraged every profession they ever made in this regard, which is in consonance with their whole political record.

Hon. Mr. DANDURAND: I can only state to my honourable friend what I have heard, because I have not been able to follow the work in the other Chamber. I have been informed that this is the work of a Committee on which the three groups were represented, and in a give-and-take policy they finally agreed to this Bill. So that I understand that in only one or two cases have they had to vote. I think this is splendid work, be-

cause it is the work, not of a party, but of the three parties working together. Although we have no right in this Chamber to speak of the work of the Commons, either to commend or criticise, I think my honourable friend can congratulate them, and we have a right to congratulate ourselves that such a piece of legislation comes to us in such a complete condition, in view of the fact that this phase of legislation is usually the occasion of much wrangling, as it has been in the past.

I will simply add one word as to the relative representation given to rural constituencies and city constituencies. I think that the people of Canada, or at all events the people in the older sections—Ontario, Quebec, and the Maritime Provinces—have recognized that the counties are entitled to a larger representation than the cities. The rural districts contain the older, more settled, more sedate populations, whereas the cities have a more transient element. In Quebec we feel that the counties are entitled to larger representation than the cities, because they have much greater stability. On the other hand, take a large city like Montreal, which in the near future will have a million people: it does not complain of the fact that its representation is proportionately only about half that of the counties; because when the ballots have been polled we find that the city of Montreal has within its boundaries half-a-dozen or more representatives of rural constituencies, who have elected favourite sons resident in the city. Montreal does not complain, because it has a large representation if you include all the members who reside in the city, and it can rely upon their sympathies in seeing that justice is done to the metropolis.

The amendment of Hon. Mr. Foster was agreed to.

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

TORONTO TERMINALS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 258, an Act respecting the Toronto Terminals Railway Company.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I will ask leave to have the Deputy Minister of Railways and Canals come to the floor.

Sections 1 to 4, inclusive, were agreed to.

On section 5—C.P.R. may acquire stock of Company; C.P.R. may guarantee principal and interest of one-half of bonds and securities, or issue stock to acquire bonds, etc.

Hon. Mr. DANIEL: Is this Bill the result of an agreement between the C.P.R. and the C.N.R.?

Hon. Sir EDWARD KEMP: Yes.

HON. Mr. DANDURAND: Yes; this Bill has the approbation of the two Railway Systems, the City of Toronto, and the Toronto Harbour Board.

Hon. Mr. BEIQUE: Has the Honourable gentleman obtained the information for which I asked?

Hon. Mr. DANDURAND: The share of the Canadian National Railways is estimated to be $10,000,000. The Government pay nothing.

Hon. Mr. BEIQUE: Including what is already expended?

Hon. Mr. DANDURAND: No. That is simply the sum to be spent.

Hon. Mr. BEIQUE: How much has been spent already?

Hon. Mr. DANDURAND: The two Railway Systems have spent on the Union Station $6,750,000.

Hon. Mr. BEIQUE: So, as I understand, the share of the Canadian National Railways will be something over $13,000,000 in all, including what the Grand Trunk has paid?

Hon. Mr. DANDURAND: Yes. It is reckoned that the land which the Canadian National Railways own, and which will have to be disposed of, will bring something over $3,000,000, and this will reduce the expenditure to that extent.

Section 5 was agreed to.

Sections 6, 7 and 8, 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.

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

EXPROPRIATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 117, an Act to amend the Expropriation Act.

He said: Honourable gentlemen, this amendment is self-explanatory. Its purpose

is to enable the Government or its contractor to carry on any blasting operations which may be necessary in connection with the execution of any public work notwithstanding any order of a court purporting to restrain the same, where in the circumstances set out in the section the Governor in Council considers it advisable in the public interest that this be done. Provision is made for compensation for injuries resulting from the exercise of this power.

Hon. Sir JAMES LOUGHEED: Will my honourable friend be good enough to give some explanation of subsection 2 of section 7A, in which the provisions are made retroactive, notwithstanding any action that may have been begun in a court or damages which may have accrued?

Hon. Mr. DANDURAND: I confess that I have no memorandum on this Bill. I recognize that the clause is somewhat exceptional.

Hon. Sir JAMES LOUGHEED: The policy of the subsection may be good. I have no exception to take to it, only this is a dangerous precedent unless there be good grounds for it.

Hon. Mr. DANDURAND: I suggest that we take the second reading and postpone the Committee stage. I shall get a memorandum explaining what is covered by that clause.

Hon. Sir JAMES LOUGHEED: I think a detailed explanation should be made as to what actions are pending, if any, what damages have arisen or are in suspense, and how this may interfere with existing claims.

Hon. Mr. DANIEL: I notice that this Bill, while referring to damage to property, makes no mention of injury or killing of persons while these blasting operations are in progress. I would like to ask the Minister what would be the result in a case in which the Government has ordered the blasting to go on, and while property may or may not be injured the life of some person is taken. There is no mention whatever of that in this Bill. Who would be responsible for the killing of the man or woman if the contractor did the blasting on the orders of the Government?

Hon. Mr. DANDURAND: I take it for granted that under the circumstances all necessary precautions would be taken to keep persons at a respectful distance from the blasting operations. It goes without saying that if under exceptional circumstances the Governor in Council decided that the work should proceed in spite of an order from the court, it would be done according to the highest scientific standard.

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

REVISED STATUTES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 119, an Act respecting the Revised Statutes of Canada.

He said: Honourable gentlemen, this Bill corresponds mutatis mutandis with chapter 61 of 1903, which was enacted to sanction the revision and consolidation of the statutes then in progress. A new revision is now in course of preparation and it is necessary to define the powers of the Commissioners and to authorize the bringing of the revision into force, subject to the usual provisions as set forth in the Bill.

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. Bradbury in the Chair.

Hon. Sir JAMES LOUGHEED: Can my honourable friend give to the Chamber some information as to how this work is proceeding—how hard the Commissioners are working, and when we may expect the consolidation or revision?

Hon. Mr. DANDURAND: I confess that I have not followed the work of that Commission, and I do not know how they go about it.

Hon. Sir JAMES LOUGHEED: I am not surprised at that. I do not think anybody else does.

Hon. Mr. DANDURAND: It is rather difficult at any stage of the proceedings to obtain a partial report of the doings of such a Commission. Nevertheless, as we have had a certain number of revisions, the Department of Justice has probably found some way of following, though at a distance, the work of revision which is going on. I have a vague impression that the work is being done to some extent in the Department of Justice, or that some of the officials of that Department are following its various stages. In that case we can from Session to Session ascertain what progress is being made. This Commission was appointed only a few months ago, and I do not know what progress it has

made. I confess never to have looked at the work it is doing.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

WINDING-UP BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 197, an Act to amend the Winding-up Act.

He said: Honourable gentlemen, this is a very short amendment, the purpose of which is to remove doubts which have arisen as to the power of the courts to approve of the consideration for the sale where the consideration is other than cash or the equivalent of cash. Section 34 of the Winding-up Act, chapter 144 of the Revised Statutes of Canada, 1906, reads as follows:

> The liquidator may, with the approval of the court, and upon such previous notice to the creditors, contributories, shareholders or members as the court orders,—
>
> (c) sell the real and personal and heritable and movable property, effects and choses in action of the company, by public auction or private contract, and transfer the whole thereof to any person or company, or sell the same in parcels.

The following words are added to that clause:

> For such consideration as may be approved by the court.

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. Smith in the Chair.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

DEPARTMENT OF CUSTOMS AND EXCISE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 237, an Act to amend the Department of Customs and Excise Act.

He said: Honourable gentlemen, this Bill effects the two following purposes. It alters the name of the Commissioner to "Deputy Minister," and that of the Assistant Commissioner to "Assistant Deputy Minister." It also transfers the Income War Tax Act of 1917 from the supervision of the Minister of Finance to the Minister of Customs and Excise.

Hon. Mr. REID: Of course, I agree with this Bill absolutely. I had a Bill here at one time to amend the Customs Act—I am not able to find it at the moment—and I was wondering whether the leader of the Government could not insert it in this Bill. However, I will bring it up some other time.

Hon. Mr. DANDURAND: It has gone to some foundling institution.

Hon. Sir JAMES LOUGHEED: A juvenile delinquent.

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. Gordon in the Chair.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

RESEARCH COUNCIL BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 241, an Act to amend the Research Council Act.

He said: Honourable gentlemen, some years ago, in 1920, I think—

Hon. Sir JAMES LOUGHEED: 1917, first.

Hon. Mr. DANDURAND: My honourable friend who was leading on this side of the House moved the adoption of a Bill to create a Research Council—

Hon. Sir JAMES LOUGHEED: Did I do that?

Hon. Mr. DANDURAND: —which would have the power to establish a research institute The Bill was in two parts. There was considerable discussion as to the timeliness of entering upon the creation of an institute which, at that time, appeared to us to be a very costly affair. After a fairly long discussion, the Senate decided to refuse the second part of the Bill, which created the institute, under which land was to be bought in Ottawa, buildings to be erected and laboratories established. The first part of the Bill was sanctioned by the two Chambers. For reasons which my honourable friend did not

give at the time, he withdrew the Bill at the third reading. I do not know whether he thought we had practically defeated the principal object of the Bill, or to what extent he was dissatisfied with the work of the Senate. But, as I am perhaps less exacting than my honourable friend was, and more modest in my aspirations, I am now moving to resurrect the first part of that Bill, which passed the Senate. Although I have not examined the present Bill critically side by side with the Bill which my honourable friend fathered, I have looked at the Bill and found it to be to my liking, and as we at that time approved of the principle of the Bill which was then before us, I move the second reading of this Bill.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I cannot remember with any degree of accuracy what took place at the time mentioned, but the impression left on my mind is that the legislation then introduced and the appropriations which were asked for the carrying out of this work were largely the outcome of the war. The war not only gave rise to problems involving scientific research and subjects of that kind in connection with the carrying on of the war and the manufacture of munitions, which involved highly developed chemical operations and problems, but gave an impetus to scientific research in Europe and also more particularly in the United Kingdom and the United States. I remember that there was a proposal submitted to the Senate of Canada to invest something like $500,000 in a site, a proposal which was received with disfavour by this body, and rejected. While I cannot speak with exactitude of the operations of the Research Council. I know that very substantial sums were expended by that Council in carrying on many experiments from which up to the present time we have been receiving, in my judgment, nothing like value. I very much doubt the wisdom of this legislation. I think it is largely visionary, largely ideal. In most countries where scientific research is carried on, it is done by parties who have a direct interest in it, and will be directly benefited by the results of such research. My recollection is that in the United States as well as in the United Kingdom research work of this kind is carried on by the large manufactories and other institutions interested. I see no reason why the Government of Canada, particularly at this time, should enter upon this expenditure. I venture to say that this country has already spent $4,000,000 or $5,000,000 on recommendations made by the Research Councils we have had, and I know of no satisfactory results that have flowed from that expenditure.

For instance, I observe a very cumbersome provision in section 4. It is proposed to appoint a Council of 15 members who shall discuss problems that will be of interest to the Council. True, the 15 will not be paid, but one will be paid, and doubtless it will be a very handsome salary, for investigations of this kind cannot be carried on without considerable expenditure, as a very expensive staff is necessary, as well as premises. Doubtless it will develop into something similar to that which was rejected some years ago, namely, the establishment and organization of an institute. I am at a loss to understand why, at this particular time, the Government has brought down this legislation.

Hon. Mr. DANDURAND: The underlined paragraphs in the Bill are the only parts that are being added. Practically it is an old Act that is being amended.

Hon. Sir JAMES LOUGHEED: But it proposes to extend very considerably the operations of the Council, which would involve additional expenditure.

Hon. Mr. BEIQUE: I remember that at the time this matter was up before there were two objections to the Bill: first, that it was duplicating the work of existing bodies which had power to engage in scientific research, and was therefore inadvisable. It was considered that if those bodies required to be strengthened, that might be done, but it was not thought advisable to create a second body. That was the strong objection that was taken.

Hon. Sir JAMES LOUGHEED: And those objections still obtain.

Hon. Mr. DANDURAND: But we are not creating a second body.

Hon. Sir JAMES LOUGHEED: But you are creating a body to supersede what we already have.

Hon. Mr. BEIQUE: The other objection. if I recollect aright, was to the expenditure, which was to commence with about $700,000, and we expected it to reach millions of dollars. The second part of the Bill was therefore rejected, but I think the first part, which it is now proposed to re-enact, created a second body.

Hon. Sir JAMES LOUGHEED: That is, it creates the Institute.

Hon. Mr. BEIQUE: The Act of 1917 established the Honorary Advisory Council of In-

dustrial and Scientific research. Is this Bill dealing with that?

Hon. Mr. DANDURAND: It is the same Bill amended.

Hon. Mr. BEIQUE: So that it will not be creating a new body?

Hon. Mr. DANDURAND: No, it does not create anything new.

Hon. Mr. BEIQUE: The Act of 1917 created a Council which was not to consist of more than 11 members, who were to be appointed by the Governor in Council.

Hon. Mr. DANDURAND: We are working out the plan of the Council.

Hon. Mr. BEIQUE: But not by way of amendment?

Hon. Mr. DANDURAND: It does not say so. As a matter of fact, it looks to be fairly compact within itself, but section 14 says that chapter 20 of the Statutes of 1920 is repealed.

Hon. Mr. McLENNAN: My recollection is that when the Bill was introduced before, it was somewhat unfavourably received, because the proposed Research Council was to take the place of the Commission on Conservation; and there was a certain amount of feeling in the House, which most of us shared, that anything which took away opportunities for the usefulness of our late respected member, Senator Edwards of Ottawa, should not be lightly accepted. The expense was also objected to, as the proposal involved a programme of buildings and laboratories which might lead to extravagant expenditure.

I notice that one of our members has a precis of what the Research Council has accomplished. To my mind that accomplishment is very considerable. One investigation into the use of by-products has already resulted in the establishment of a commercial enterprise based on the discovery of the men of science who investigated the problem. I understand that a second industry is to be established along the same line.

I feel very strongly that it is of great importance to Canada, at this stage of its development, to do all that we can to make it easier for the industrial enterprises of the country to produce new things, special things, and to devise ways and means of getting them into the markets of the world because that is the kind of industry that makes a country's position most commanding.

Another thing ought not to be overlooked, even though its immediate money value is small, that is, the prestige that is given to a country by inventions made within it. That is a very valuable asset. Though intangible, it is none the less real. For example, the invention of insulin by two young Canadian scientists of the University of Toronto has brought an enormous amount of prestige to Canada. I am very glad to support this Bill. I am pleased to see that it contains a clause giving the Research Council the right to patent its results and thus get the benefit of valuable discoveries which the investigators may make.

Hon. Mr. GRIESBACH: Honourable gentlemen, I have a very excellent brief in support of this Bill, but I do not propose to make very much use of it, owing to the shortness of the time. There is provision in the Bill for the acceptance of grants, etc., which is an important matter, because a considerable number of the larger industries of the country, realizing the value of industrial research, have made substantial offers of assistance for the investigation of certain matters peculiar to their industry. Those industrialists are prepared to contribute towards research on those lines, thereby answering the question of my honourable friend who suggests that the efforts toward this sort of investigation should remain in the hands of the persons interested. I think those institutions prefer that research should be carried on by such a Council. We have a tremendous list of natural resources in this country which require development, and we shall never make substantial progress unless we have some method of scientific research for the solution of problems which specially concern those resources; but we can never get at them unless we do so by an organization such as this.

It has been pointed out that one of the activities of the Research Council is the granting of scholarships to provide for the cost of the higher education of young men who go into research work. The Council has been doing that sort of thing, with the result that it has already graduated a number of young men, who are finding ready employment with the large industries, and securing substantial results.

The Council has made a list of some of the things it has done. The most striking investigation it has carried out, producing a substantial result, relates to the discolouration of canned lobsters. They found that in the canning of lobsters there was an annual loss, estimated by the packers at $700,000 a year. As a result of their inquiries a complete solution has been found, and that loss has been

prevented. I think that is a very striking tribute to the work of the Council. They have investigated the reduction of complex ore in British Columbia. They have carried on researches in rock-crushing and the utilizing of low-grade iron ore. We have very substantial deposits of low-grade iron ore complicated by the presence of other substances; but it is very difficult to work, and if the problem can be solved we shall have our own iron fields. The Council feel that they are on the way to a solution of that problem. The Council has also investigated the destruction caused by wood-boring water animals, and they have made substantial progress at that. They are also dealing with the question of wheat rust, which causes an annual loss on the western prairies estimated at $250,000,000. If a solution of that problem can be found it will mean the putting of that much money into the pockets of the western producers. The problem of the disintegration of concrete in alkali soils in western Canada is also receiving attention, and a practical solution has been found. An investigation under the direction of the Research Council has been made at the University of Alberta, and it has been discovered what plants, grown anywhere in the world, will be suitable for cultivation in our western country. It has also been found that the climate of British Columbia is very suitable for the growth of plants that yield drugs. Other lines of research have been followed with satisfactory results.

The scientific research carried on in Germany has resulted in tremendous strides in industrial development in that country. Through research, they have established industries. Commercial chemists constitute a great profession in that country, and the labours of such men have contributed largely to German development. In Canada we have natural resources surrounded by problems relating to the soil, climate, etc. It is believed that those problems can be solved by providing for scientific investigation, if not too costly. I believe that the Bill provides a method and a system whereby we may secure the maximum results from the minimum expenditure, and I will strongly support it.

Hon. Mr. GORDON: Has any appropriation been made for this purpose?

Hon. Mr. DANDURAND: No. In fact, the only expenditure that is intended under this Bill will be the remuneration to the President of the Council.

Hon. Mr. GORDON: Oh, no. Subsection e of section 10 defines this as one of the powers of the Council:

(e) To expend such sums of money as may be annually appropriated by Parliament for the work of the Council or which shall have been received by the Council through bequest, donation or otherwise;

Hon. Mr. DANDURAND: Under that clause I do not believe anything appears in the Estimates. This is merely an amendment to the Act; we have a Research Council under the Act of 1917, which this one replaces. I have not the data as to the cost to the country, but it has been inconsiderable, except sums that may have been voted for a special object. This only provides a fixed expenditure for the salary of the President. Any other expenditure will be by special vote, and will be in the Estimates for year to year, or occasionally.

Hon. Mr. GORDON: I must say I have more faith in individual effort than in this Council, and I am under the impression that this Bill is just opening the way for further public expenditure.

Hon. Mr. DANDURAND: I think my honourable friend will find that this will allow of greater activities and efforts in the field of research, and at minimum cost.

Hon. Mr. GORDON: If honourable gentlemen look back, they will find that most of the discoveries of the kind that this Bill intends to deal with have been made by individual effort. I have not much confidence in this kind of expenditure. I think the work should be carried on by universities. I fear that this Bill will mean the opening of the door for very large expenditures, and I have not confidence in the plan.

Hon. Mr. BEIQUE: It would be much better to help the universities in work of this kind which they are doing, rather than to duplicate it. Several universities are engaged in scientific research.

Hon. Mr. GORDON: It was stated a while ago, that when this Bill or a similar measure was brought up previously, it was rejected because it was thought that it might interfere with the Conservation Commission. I do not see how it could have interfered, because the Conservation Commission, if I remember aright, never entered upon research work. I am sorry that the Government will not consider having this work done by means of the universities, because the present proposal is going to result in duplicating some of the work now being done.

Hon. Mr. McLENNAN: May I ask the indulgence of the House to supplement what I said before about industries having already

been established. I had not these notes before me at the time:

As the result of one research carried on by Mr. Freeman, who investigated for us the complex sulphite ore problem, which has already led to the establishment of one new industry, the manufacture of cyanide has been introduced into Canada at Niagara Falls, a condition of affairs, which a few years ago was deemed impossible. This product is to-day competing in the markets of the world with German, French, British and American Cyanide.

Hon. Mr. GORDON: Who is Mr. Freeman?

Hon. Mr. McLENNAN: Mr. Freeman is working under this Council.

And the major portion or the world's gold and silver is now being extracted by means of cyanide made in Canada. All this grew from a close study in a chemical laboratory on a small scale of the reactions involved. As a result of the research on the complex sulphite ores, we now have a chemical industry being established at Shawinigan Falls which will put Canadian production in a safe position with respect to competition, with the possibility of developing a large export trade.

Again, I would call the attention of the honourable gentleman who has just spoken to the fact that, as I see this Research Council, it is mainly a means of co-ordinating and making more effective the work of the university people. Men may be working at McGill, here, or elsewhere. Under the Research Council they come together, and they work more effectively. One man concentrates on one thing, another man on something else.

Take the list of members of the Research Council of Canada. Dr. Tory, whom we all know, is the administrative Chairman, and the only member who is being paid. The other members are: Dr. Adams, lately and for many years Dean at McGill; Dr. Clark, head of the Faculty of Applied Science at Kingston; Mr. Cronyn, of London, Ontario, who is not a man of science, but has taken great interest in this matter; Mr. Frigon, of the Ecole Polytechnique, of Montreal; Sir George Garneau; Dr. Macallum, of McGill; Dr. Mackenzie, head of Dalhousie, and a man of science; Dr. McLennan, of the University of Toronto, who is an investigator and is well known, particularly for his work with helium; President Murray, of the University of Saskatchewan; and Dr. Ruttan, Professor of Chemistry at McGill. These are university men, who are investigators, and the Research Council is largely for the purpose of bringing them together, co-ordinating their work, making it more effective, and giving such assistance as the Government may see fit to give towards the various investigations.

I would ask that if this Bill passes, as I hope it will, special care be taken to see that the work of the Research Council does not overlap with various other work of an investigatory kind carried on by other Departments. I was very much pleased last summer to hear an eminent American scientist refer to the work of our Biological Board, down in New Brunswick— at St. Andrew's, I think. He made the most favourable comparisons between that work, carried on with very simple means and the smallest of buildings, and the work being done anywhere else on the continent. I feel that great care should be taken to prevent duplication.

Hon. Mr. GORDON: It is often said that necessity is the mother of invention. Sometimes I think that we should add to necessity poverty. What I mean is this. Inventions have been made which might never have been if the inventors had occupied positions of ease. When men are appointed to positions at fat salaries they have not the same incentive to work as other men have. I do not believe you will make much progress in scientific research for the amount of money you expend. This will lead, in my opinion, to an immense expenditure, and you will not get much from it.

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. Pardee 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.

FISHERIES BILL

SECOND READING

Mr. DANDURAND: moved the second reading of Bill 248, an Act to amend the Fisheries Act, 1914.

He said: Honourable gentlemen, it is intended by this Bill to enlarge clause 9 of the Fisheries Act, 1914. The section to be repealed reads as follows:

In the Province of British Columbia no one shall engage in the manufacture of oil or other commercial products from sea-lions, hair-seals, sharks or gray-fish, except under license from the Minister.

It is deemed opportune to enlarge that provision so as to make it apply to all kinds of fish:

Except as in this Act otherwise provided, no one shall engage in the manufacture of fish meal, fertilizer, oil, glue or products of a similar character from fish, fish offal or marine animals, except under license from the Minister.

There is a small annual fee, 25 cents, charged on each ton or fraction thereof of dry-salted herring put up in the establishment during the season.

There is a penalty, under certain conditions, for bringing salmon or lobsters into Canada on vessels used in taking the same beyond territorial waters.

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.

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.

CANTEEN FUNDS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 253, an Act respecting the disposal of the Canteen Funds.

He said: Honourable gentlemen, I think I cannot give this Chamber a better explanation of the reason for this Bill than what is contained in the preamble:

Whereas certain profits have accumulated from the operation of canteens during the late war and from other sources; and whereas more particularly these profits represent (i) the share allotted to the Canadian Expeditionary Force of the profits made by the operation of canteens under the control of the British War Office, (ii) the profits made by the operation of canteens under the control of various units of the Canadian Expeditionary Force overseas, (iii) the share of profits allotted to the Government of Canada for division among Canadian war charities by the War Office Cinematograph Committee arising from the profits made by such Committee from the exhibition of pictures taken in the area of active operations, (iv) the share allotted to the Royal Canadian Navy by the Admiralty; And whereas, there is now in the hands of the Receiver-General for Canada the sum of $2,300,000 more or less, representing the said allotments and profits together with interest thereon; And whereas it is desirable that distribution of this amount be made so that ex-members of the forces and their dependents may benefit thereby: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows.

The Bill provides:

Hon. Mr. DANDURAND.

There shall be appointed by the Governor in Council a Central Board of Trustees consisting of three members who shall serve without remuneration for the period of three years and shall be eligible for reappointment.

The Lieutenant-Governor in Council of a province may appoint a Board of Trustees for such province consisting of five members in the case of Ontario and three members in the case of each of the other provinces who shall serve without remuneration for the period of three years and shall be eligible for reappointment.

A majority of the members of the Central Board of Trustees and of each provincial Board of Trustees shall be ex-members of the forces.

Allotment of the Canteen Funds shall be made in the following manner:

(a) The sum of $20,000 shall be held by the Receiver-General for Canada for the payment of any outstanding accounts or claims in respect of the units, the funds of which are included in the Canteen Funds.

(b) The sum of $100,000 shall be allotted and paid to the Central Board of Trustees to be expended by such Board from time to time in such amounts and in such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau at Ottawa for the benefit of ex-members of the forces and their dependents.

(c) The sum of $50,000 shall be allotted and paid to the United Services Fund of Great Britain and the sum of $50,000 shall be allotted and paid to the American Red Cross Association to be used by the said Fund and Association respectively in such manner from time to time as the said Fund or Association may deem proper for assistance in specially meritorious cases of ex-members of the forces and their dependents, resident in the United Kingdom or the United States of America, as the case may be, and who are in genuine distress, provided that if the said Fund or Association is unable to accept the said allotments on the conditions herein set forth the Governor in Council may make such other disposition thereof as may be deemed advisable.

(d) Any unexpended balance now in the hands of the High Commissioner for Canada in England shall be retained by him and shall be utilized by him for the relief of distressed ex-members of the forces in the United Kingdom.

(e) The residue shall be divided into nine provincial allotments in the proportion indicated by the following percentages;

	Per cent
Alberta..	7.346
British Columbia and the Yukon.. ..	10.286
Manitoba..	10.702
New Brunswick	4.203

It is provided that the expenses shall be a charge on the allotment; and provision is made for vacancies. Section 10 reads:

Without limiting the powers hereby conferred on the Lieutenant Governors in Council the following general principles shall govern any distribution or apportionment of the amounts allotted to the said provincial Board of Trustees:—

(a) Any plans formulated should be based on the assumption that there will be prospective beneficiaries for several years to come;

(b) Any use of the fund for relief purposes should be limited to the class of case for which no relief is then available from governmental sources and in particular to specially meritorious cases;

(c) If the provision of scholarships in schools and universities is undertaken for specially promising children of ex-members of the forces or of members

of the forces who have died this should not necessarily be confined to the higher grades.

It is provided that an annual report shall be made to the Minister of Soldiers Civil Re-establishment by the Central Board of Trustees and others. This is the scheme. There are members around me adorning this Chamber who have gallantly served abroad, and who may be able to give us their views as to the merits of this proposition. I have not come into direct contact with the claimants upon that fund, nor with persons in the Soldiers Civil Re-establishment Department, or any of the other Departments who have informed me of the difficulties to be met with in disposing of the fund.

Hon. W. A. GRIESBACH: Honourable gentlemen, the first observation I have to make in regard to this Bill is that there is no urgency about the disposal of these moneys so far as I am able to learn, and therefore the Bill might well stand over. However, now that it is here, I would like to point out to the House the first thing that strikes me as being of interest. The distribution to the provinces is based on enlistments, discharges, and pensioners, and a common figure between those three in each province is struck. That seems to me to be fair.

There will, however, be nine distinct policies for the expenditure of the sums of money placed in the hands of the Commissioners in the different provinces. I am not prepared to say whether that is good or bad. It is more likely to be bad than good. However, it disposes of the sum, which is the main point.

What I particularly want to call attention to is the clause which provides for the establishment of an Adjustment Bureau in Ottawa. In that clause lie the seeds of a good deal of trouble.

Hon. Mr. DANDURAND: What clause is that?

Hon. Mr. GRIESBACH: Paragraph c of section 6. The point I want to make is this. This money belongs to the soldiers, and the problem in the past has been how to justly distribute it. It is about to be spent in their interest, in the formation of what is called an Adjustment Bureau. One would have hoped that we had got our law into such a condition that we did not need an Adjustment Bureau; or, if we do need it, one would think the Government would pay the expenses of it.

We have in Canada two large organizations and one or two smaller bodies of ex-service men. If this particular sum of money falls into the hands of one of those organizations, to the exclusion of all others, it will be absolutely fatal to this proposal. The Government, therefore, must proceed cautiously in the beginning with the appointment of the central Board of Trustees. It is hoped that that Board will be composed of eminent and distinquished men who will realize the importance of building up an organization which will serve equitably and fairly and justly not only the organized soldiers but all the soldiers of Canada—because all soldiers own this money—without advantage to any; and it should be borne in mind that the two large organizations of ex-service men should be absolutely equally represented in the administration of this fund. If that work is carefully and faithfully carried out, then this proposal will work out satisfactorily; but if it falls into the hands of one organization or one individual, you will have all of the ex-service men of the country down upon you complaining of what is being done, and in the meantime the money will be rapidly disappearing.

This $100,000 will bear interest; and if there is an expenditure of $24,000 or $25,000 a year, the $100,000 will disappear in about five years. Therefore the Board of Trustees must exercise control, first of all as to appointments, and secondly as to policy, particularly with regard to the expenditure of this large sum.

Hon. A. H. MACDONELL: Honourable gentlemen, I am quite in accord with the honourable gentleman from Edmonton (Hon. Mr. Griesbach) in everything he says; but there is another aspect of this question.

We have been here for four and a half months, and the Government chooses at the last minute to send us a contentious Bill of this description. There are a number of us who have been very much interested in this Bill as to what it contained. We want to get together and discuss it, and go through it and digest it. We cannot do that now before the prorogation of Parliament. The members of this Chamber have seen this Bill this afternoon for the first time. As I say, we should have plenty of time to discuss it, to go through it and weigh the pros and cons, and eventually to arrive at a conclusion whether or not the Bill should be passed.

I am opposed to hurried legislation. Bills come rolling in here ten deep in the last few hours of the Session, and we are expected to railroad them through—I think that is the favorite term here. But I do not think we should be pushed in this way. We have to consider the legislation of this country which is in our hands at present, and I do not think

we should rush through these Bills, but should give them honest and careful consideration before passing them. I am oposed to putting these Bills through in a hurry, and being sorry afterwards. I would very much like to have this Bill stand until next Session, so that we might have an opportunity to look into it.

Hon. Mr. DANDURAND: Is the honourable gentleman moving to that effect?

Hon. Mr. MACDONELL: Yes.

Hon. Mr. DANDURAND: The six months hoist?

Hon. A. B. GILLIS: I fully concur in what has been said in regard to this Bill coming so late in the Session. This question of the canteen funds is one that has been hanging over us for a very long time. I think it is very important that this money should be distributed. I think we have considerable time still at our disposal, even if prorogation takes place to-morrow or the day after, and I feel the necessity of making this money available to those who are in need. For that reason I cannot support the amendment. We should consider the Bill very carefully in Committee and go into the details. If that is done, perhaps we will not find it so difficult to reach a conclusion as to whether or not the Bill is a good one.

Hon. F. B. BLACK: Honourable gentleman, I can to a large extent concur in the remarks made by the honourable gentleman from Edmonton (Hon. Mr. Griesbach) and the honourable gentleman from Toronto (Hon. Mr. Macdonell). Like those honourable gentlemen I am considerably interested in this Bill. I have not had time to go into the matter, and although I read the Bill over some three or four days ago, and again to-day, there are some features of it which I do not like, and which, without further consideration and elucidation, I cannot support.

Clause 3 of the Bill provides for the appointment by the Governor in Council of a Board of Trustees consisting of three members who will serve without remuneration. That is very commendable and I have no doubt that three worthy and responsible men can be got who will be glad to accept, and who will be perfectly acceptable.

Section (c) of clause 6 provides that $100,000 is to be allotted and paid into this Central Board of Trustees. This, I presume, is to be an expense fund, which, after all, must mean that this Board of three who are working for nothing are going to surround themselves with an exceedingly expensive staff to administer this small amount of money. In other words, 5 per cent of the total amount in the canteen fund is laid aside for the expenses and administration of the fund.

The Committee of this House which conducted the inquiry into the Civil Service found that almost every branch of the Service is overmanned, and from its report it would appear that almost every branch had in it men who had not sufficient work to occupy their time. It occurs to me that it is unfair to create another Department, and to set aside $100,000 to be used for the organization and carrying on of that Department when we already have many Departments which are overmanned, and which are quite competent, I should say, to carry out this work. It seems to me that this duty might be relegated to the Pensions Board. If the Pensions Board is too unpopular with the returned men, then I would suggest either the Department of Finance or the Militia Department. In any event, there must be many men in many Departments who could carry out the detail—and after all the detail must be relegated to the central body by the Lieutenant Governors of the various provinces. It does seem to me that that $100,000 should not be expended in the organization of a new and unncessary staff, but should be given to the men who are entitled to receive it.

That is the only criticism I am going to make now, because I have the impression that many of the members of this House will feel as I do—that we have not had sufficient time to consider this matter, and that it has not been sufficiently considered by those interested to allow it to pass through the Chamber at the present time.

For these reasons I believe the returned men would be much better served if we were to postpone the consideration of this Bill to another Session, when we will have more time at our disposal and will be able to give it the consideration which it merits.

Hon. Mr. DANDURAND: In introducing this Bill, I am responsible for it for the time being. I do not know what has preceded the introduction of the Bill. I do not know, for instance, whether the men, through their organizations or through public notices, have been informed of the method by which it is proposed to dispose of the funds. I do know, however, that the question has often arisen as to the best method of distributing the funds to those who are legitimately entitled to them. I am under the impression that there was a levy upon each man enlisted, or

each man at the front, to maintain the canteen. So, if I am not mistaken, the accumulated funds belong to them. At the present moment I do not know to what extent the men who are not organized have been approached, or what has been done to ascertain their views.

If this proposition has received sufficient publicity to bring from the men an expression of opinion which would be favorable to it, I would say let us pass the Bill; but if we are without any information from the parties who are entitled to share in that money, and if representative men, such as we have heard from this afternoon, claim that they have not had time to examine into the question, and insist upon a postponement till the beginning of next year in order to find out whether this plan will work satisfactorily, I will not insist upon proceeding. I would like to know the opinion of the Senate on this point.

Hon. Sir JAMES LOUGHEED: I suggest to my honourable friend that, instead of dealing with this Bill drastically by means of the three months hoist, in view of the fact hat my honourable friend knows nothing about he Bill, he should withdraw it so as to give the Senate an opportunity to make the inquiries which he himself wishes to make, and which he concedes the Senate should make.

Hon. Mr. DANDURAND: I can only say this to my honourable friend. If there is no clear expression by the Senate on deferring the Bill, I take for granted that to postpone it does not mean the killing of it. We have been trying for five years to find an equitable system of disposing of this fund. It is now July, and we will meet in January, I hope. The Bill could be disposed of, if the Senate will not take the initiative and express its opinion now, by deferring it until this evening, in the meantime obtaining the record and presenting it to this Chamber.

Hon. Sir JAMES LOUGHEED: No, let us deal with it now. I would suggest to my honourable friend that it should be withdrawn, and not submitted to a division. There is this to bear in mind that if the House meets in January next this is one of the subjects that could be considered advantageously by the Senate in the early stages of the Session. Surely the distribution of $2,300,000 is a subject of sufficient importance to demand the attention of the Senate, particularly in view of the elaborate mode of distribution which is set out in the Bill. I have my views upon the Bill, but I do not wish to enter upon a discussion of them now, because I am satisfied that the sense of the House is that this matter should stand until next Session.

Hon. Mr. CASGRAIN: I would ask honourable gentlemen if they think it is fair to keep this money away from those entitled to it. Should we not make an effort to reach an understanding? The motion before us is very drastic. The honourable gentlemen who are proposing it are too generous, but they ought to know more about it than most of us. Still I think the returned men would like to get their money, and not wait for another year. They have now waited for many years.

Hon. Sir JAMES LOUGHEED: Let us have the question.

Hon. Mr. GORDON: I must say that this appeals to me in this way, that even if the amounts which some of those men are going to get may be small, they should not be kept from them for another year.

Hon. Mr. McLENNAN: Another six months.

Hon. Mr. GORDON: Well, even six months. Delay will entail some hardship, for I am under the impression that during the coming winter many will be out of employment, and even a small amount of money would be very helpful. I therefore do not like to have this matter held over for another Session.

Hon. Mr. BLACK: Can the honourable gentleman point to one clause in the Bill which shows that any returned men are going to get a cent of this money next winter?

Hon. M. GORDON: I must admit that I am not very familiar with the Bill, but here is a paragraph of section 6 which seems to show that:

> Any unexpended balance now in the hands of the High Commissioner for Canada in England shall be retained by him and shall be utilized by him for the relief of distressed ex-members of the forces in the United Kingdom.

That obtains over in England, and affects us here to the same extent. I feel for the men over there, just as I do for our men here, but I believe that the sooner this matter is settled the sooner those people will get their money; otherwise, what is the object of the Bill?

Hon. Mr. BRADBURY: I agree entirely with what has been said by the mover of this amendment, for the reason that we have not had time to consider this Bill. It is a very important Bill, and quite a number of those in this House, who are directly interested in it, having had the honor of commanding overseas, wish to see their men get

fair play in connection with this matter. I frankly admit that, as the Bill has come in at this late hour, I am not in a position to agree that this is the best way to handle the fund, which is very large. There is no question that the fund belongs to the men, and I do not think any honourable gentleman who has taken the same position as myself on the subject has any other desire than that every dollar of the money shall reach the men to whom it belongs. But on reading the Bill I have grave doubts whether, if it is passed, the money will go to the men who are entitled to it. Therefore in view of the lateness of the Session I sincerely hope the Government will not proceed with it.

Hon. Mr. GRIESBACH: Perhaps we could effect a compromise. There are five sums involved. We are really only concerned with the amount which goes to the provinces under the plan of distribution here laid down, and the amount which is obtained from the Adjustment Bureau in Ottawa.

The system of management of the money that goes to the provinces is that the Lieutenant Governor in Council constitutes his local Board, the majority thereof being ex-service men, and they will probably all be ex-service men. I think we can trust the Lieutenant Governor in Council to make judicious appointments of those men. Then the money is divided according to the percentages set out in the Bill, which are based upon enlistments, discharges, and pensions payable in the province, and equalized at a common figure.

The sum of money that remains, that is referred to here, is then sent to the provinces in this distribution. The Board so appointed takes over the fund, and now ready to expend it. At once the Board appointed by the Lieutenant Governor comes into contact with the sentiments of the ex-service men of the province, as expressed through the press and by resolutions from the various existing bodies that are organized not only locally but also provincially. Those bodies pass appropriate resolutions outlining the policy to be followed in that province. I know that it would be well to have a common policy for the whole Dominion, but there would be no objection to having nine provincial policies for the disposal of this money, because the problems may be different in the different provinces. It seems quite clear to me that there are no difficulties as to the expenditure of the money in the provinces, and we might very well accept the Bill as it is with regard to that portion of it, and send the money off to the various provinces.

With regard to the other sums, you have $20,000 which is being retained to meet possible charges from local canteens, and two items of $50,000, one paid to the Red Cross of the United States and to an Association in England, for the purpose of giving aid to ex-members of the forces in those two countries. You have this further sum for the Adjustment Bureau.

What I suggest to the Government is that they might bring down a short amendment; pass the Bill with respect to the promised distribution to the provinces, and retain the residue—the several amounts I have mentioned—for further legislation at the next Session.

Now, what have you got? You have distributed the larger portion of this sum, and it goes to the place where it will be used to the greatest advantage. You have retained in the hands of the Government, for further consideration, the $20,000, the $100,000, and the two items of $100,000 or $220,000 which the Government may retain in its hands for further consideration.

I think that would be a solution, and a compromise between the motion moved by my honourable and gallant friend from Toronto and supported by another honourable and gallant friend, that the Bill be not now read. I think we should go on with it and the money will go out at once, and proceed to do what we hope will be its good work.

Hon. Mr. TANNER: I think what my honourable friend from Edmonton has just said is an argument against proceeding with this Bill. He has mentioned a large number of problems which I think honourable members of this House should consider more fully before deciding to pass this legislation.

There cannot be very great urgency about this matter, as it has been resting since 1918. Personally, I am not interested in it, but I have relatives who are. If there is urgency, why did the Government delay the bringing down of this matter until a few days ago? Evidently the Government did not awaken to any urgency until a few days ago. It is only a week or two, according to my recollection, since the resolution was brought down in the other place. Practically four months have elapsed, which is conclusive proof to my mind that in the judgment of the Government, at any rate, there was no great urgency about this matter. Consequently I think it is the duty of this Chamber to take time to deliberate. Nobody is going to be hurt very much by delaying it for another

6 months. I think the wise course is to postpone the whole matter.

The amendment proposed by Hon. Mr. Macdonell was agreed to.

VANCOUVER HARBOUR BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 256, an Act to provide for further advances to the Vancouver Harbour Commissioners.

He said: Honourable gentlemen, this Bill will empower the Governor in Council to advance and pay to the corporation of the Vancouver Harbour Commissioners the sum of $5,000,000. The Commissioners have a programme of improvements on the way, carried on with the assistance of advances made in previous Acts. In order to complete the works under way and provide for new works immediately, it is desired to authorize a further advance to the Commissioners.

A certain amount of this money will be spent upon necessary work now under way and partially completed—the construction of a new grain elevator, No. 2, adjacent to the site of the new Ballantyne pier, to have a storage capacity of approximately 1,500,000 bushels, with car-unloading plant and conveyor gallery, with a berth on the new pier; the construction of a grain-loading jetty to be equipped with conveyor galleries to serve grain elevator No. 1, and the construction of a grain-loading berth.

It is expected that with the expenditure which is projected and covered by this amount, the facilities at the port of Vancouver will be doubled.

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

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

MILITIA BILL

FIRST READING

Bill 169, an Act to amend the Militia Act.—Hon. Mr. Dandurand.

PENSION BILL

FIRST READING

Bill 255, an Act to amend the Pension Act.—Hon. Mr. Dandurand.

DEPARTMENT OF SOLDIERS CIVIL RE-ESTABLISHMENT BILL

FIRST READING

Bill 264, an Act to amend the Department of Soldiers Civil Re-establishment Act.—Hon. Mr. Dandurand.

VANCOUVER HARBOUR BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 256, an Act to provide for further advances to the Vancouver Harbour Commissioners.

Hon. Mr. Tessier 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.

MONTREAL HARBOUR BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 257, an Act to amend the Montreal Harbour Commissioners Act, 1894.

He said: Honourable gentlemen, this is a Bill to authorize the building of a bridge over the St. Lawrence below St. Helen's Island by the Harbour Commissioners of Montreal. They are empowered to proceed forthwith with the carrying on of the enterprise. It is the conviction of all those who are familiar with the conditions that there will be no charge upon the Federal Treasury nor upon the Harbour Commission, because there will be sufficient traffic developed during the construction of the bridge, if it does not already exist to meet the annual charges upon the whole cost.

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. Blain in the Chair.

On section 1—power to build bridge over St. Lawrence:

Hon. Mr. REID: I agree with the Harbour Commissioners that there is no place where a bridge is more necessary than at Montreal. The traffic has grown there to such an extent that I think a bridge should be constructed. The only question that occurs to me is whether the Dominion Government should guarantee the bonds. There was a bridge constructed over the Ottawa river at Vaudreuil, and in that case the Dominion Government guaranteed a certain amount, the province of Quebec a certain amount, and the municipality, I think, the rest. Tolls were to be collected on the bridge, and I think the money was in the end to be repaid.

In this case it is not a question of repaying the money, but it does seem to me that this bridge being entirely in the province of Quebec, the Government of that province should join with the Dominion Government in guaranteeing the bonds. I would not like to suggest anything that would prevent the building of the bridge. As I say, I think it is absolutely necessary. I have crossed over on the Victoria bridge, and I know that the traffic is very heavy. I agree that the Harbour Commissioners are the proper people to build the bridge or to control the operation; but it strikes me that the Quebec Government should be interested jointly with the Dominion Government if the Dominion Government is to be a party to it at all.

My own feeling is that this is entirely, or at least largely, a provincial matter and that it may create a precedent. There are large streams in almost every province of the Dominion, over which very expensive bridges will have to be built. We have bridges in other provinces which are entirely provincial. I remember that we were at one time asked either to build a bridge or to guarantee the bonds for a bridge across the harbour of Vancouver. The stand taken at that time was that it was not a Dominion matter. The same question has arisen in other provinces. If we create a precedent I fear that we may have many similar requests in the future, and I would like to see some sort of agreement between the province of Quebec and the Dominion Government as to the guaranteeing of the bonds.

Hon. Mr. BRADBURY: Honourable gentlemen, I desire to associate myself with some of the remarks of my honourable friend from Grenville (Hon. Mr. Reid). A few years ago Selkirk made application to the Dominion Government for assistance to build a bridge which was very badly needed at that point. We were told clearly, I think by the late Government, that that was a matter for the municipality and the province. Consequently the bridge was not built, because Selkirk was not in a position to contribute what was considered to be its share, and the province was not able to do anything. I do not think it is fair that in other provinces bridges should be built for which the Dominion Government becomes practically the guarantor when it has emphatically refused to pay a share of the cost of a bridge in Manitoba. I think the provincial Government ought to take its full share of the responsibility in this case.

Hon. Mr. BEAUBIEN: Honourable gentlemen, there seems to be no question at all as to the necessity of a bridge at this point.

Hon. Mr. BRADBURY: No.

Hon. Mr. BEAUBIEN: Neither is there any doubt that the investment will carry itself.

Hon. Mr. BRADBURY: There is no guarantee of that.

Hon. Mr. BEAUBIEN: I think those who are really well acquainted with the situation and the volume of traffic in Montreal will have absolutely no doubt about that. The only objection seems to be to the method of building the bridge, because it may create a dangerous precedent. I would like honourable members to bear in mind that the Harbour Commissioners of Montreal are there because Montreal is a national port. Millions of money have been spent in Montreal for absolutely no other reason. That is a good reason. Montreal is the greatest grain port in the world.

Hon. Mr. BRADBURY: Except Vancouver.

Hon. Mr. BEAUBIEN: I will not even admit that. Further, the Harbour Commissioners of that national port have administered the funds placed at their disposal in a very wise manner, and in that respect, I think, have given a good example to other Commissions that have not been so successful in carrying the interest and sinking funds of the investments they have made.

Apart from that, the transportation interests of the port of Montreal are extremely interested in the manner in which the bridge will be constructed. If the bridge is necessary, and if it will pay, and if it is in a national port, and if every Government for many years has agreed that the improvements in that port should be made by the one Commission, the Harbour Commission of Montreal, why should we stop now?

Hon. Mr. BRADBURY: Are you perfectly satisfied that it is a paying proposition? I am not going to criticise that, because I do not know. If that is assured, why cannot the provincial Government assume the position that they are asking the Dominion Government to assume?

Hon. Mr. BEAUBIEN: If the honourable gentleman will allow me, I will take up his line of argument later. An improvement is required, which it is sought to have made by the same hands that have made the improvements up to the present time, at no cost to the country. There is therefore a great deal to commend the method adopted by the Government.

I come now to the objection of the honourable gentleman: "If it is a local enter-

prise, why should not the Province be responsible for it?" I thought I had answered that. This is not a local enterprise. If it is, then no Government has been justified in spending the money that has been spent on the port of Montreal. It is not a local enterprise. This is an expenditure in the national port of Canada.

Hon. Mr. ROCHE: Why does my honourable friend call Montreal the national port? Are not all the ports in Canada national ports? What particular advantage has it in nationality?

Hon. Mr. BEAUBIEN: I thought I was stating a plain, every-day truth. If it is true that there are other national ports in Canada, I do not think my honourable friend will quarrel with me when I say this is the most important of our national ports. Let us agree on that.

Hon. Mr. ROCHE: I do not agree with that—far from it. Because it happens to be at the top of a river, and you cannot get past it, is it a national port?

Hon. Mr. BEAUBIEN: If we cannot agree on that, and cannot agree that the trade at the port of Montreal makes it the most important, I do not think I will attempt to convince my honourable friend.

Let me come again to the argument of the honourable gentleman from Selkirk (Hon. Mr. Bradbury). He says that if the bridge is going to pay, why should not the province undertake the work? Is that the measure that we have employed in the distribution of the credit of this country for transportation? Many lines have been built, and a much larger expenditure made, even when grave doubts have arisen in the minds of the people who have passed the amount as to whether the lines would pay or not. Still they have had the endorsation of the country. The only difference now is that everyone admits that this undertaking will not be a liability, but will carry itself. Everybody in the province of Quebec, at all events, recognizes that the proposed work is not only absolutely necessary, but urgent; and everyone seems to admit that the best method of constructing the bridge is through the Harbour Commissioners of Montreal. That being so, it seems to me that the method should not be changed, and that the Bill should be passed.

Hon. Mr. REID: I have always understood the Harbour Commissioners were appointed to look after the harbour of Montreal. They were not appointed to build roads in the province of Quebec. This bridge is really a road across from Montreal to the other side of the river. They stated, of course, that the Harbour Commissioners of Montreal, having charge of all the other affairs there, would be the best body to build it and have it under their control. I agree that there is no question about the bridge being required. But I repeat again that if we are going to allow the Harbour Board to go into road-building or bridge-building, I think it is the part of the province of Quebec to provide the guarantees necessary in connection with roadways or bridges entirely in that province. I would like honourable gentlemen to mention one other instance in the Dominion of Canada in which the Dominion Government alone has assumed the responsibility and the liability in connection with a bridge that was not international or interprovincial. Admitting all that the honourable gentleman says as to the bridge paying the interest and probably all the principal in the end, I may say that so long as those bonds are out, they are a liability against the Dominion Government.

The honourable gentleman states that the fact that Montreal is a national port is one of the main reasons why the Dominion Government should take the responsibility. Suppose that Vancouver, for instance, comes along, and asks for a bridge in Vancouver harbour that will cost millions of dollars, and will perhaps never pay, and wants the Dominion Government to guarantee the bonds, what is the situation? If the Dominion guarantee the bonds for the port of Montreal, they must guarantee them for the port of Vancouver, and whether the bridge would pay or not I suppose the honourable gentleman would give it his support because Vancouver is a national port.

The Dominion Government refused to guarantee the bonds for the building of a bridge in the city of Victoria, although it is a national port. We should have done that then, or else we should not do this now.

I could name instances in the province of Ontario. There is a bridge across a ravine at Hamilton; we did not guarantee the bonds of that, because it was a provincial matter. Up to the present time every province has insisted that it has a right to such a guarantee and has put in a claim.

Down in Halifax we expropriated property, and I remember that at one time there was a bridge across the Halifax harbour. I saw the ruins where the bridge had been originally. There was a petition for another bridge across that harbour. Of course, we would build that, even though we never got a dollar of interest.

There never has been in the history of Canada a case in which the Dominion Government has guaranteed the bonds on a bridge that crossed a river within the boundaries of a province. This is a precedent. Although there may be no actual liability, still we are responsible for the bonds if anything should happen. When we establish a precedent, as we are doing here to-night, we must look out for next year, when we may have a similar application from Vancouver; or we may have one from Saskatchewan or from Alberta, to build a bridge across some river. All such applications will have as much reason as Montreal has, though they may not probably have the same argument that the project will pay. But whether it pays or not we have to assume the responsibility. In the case of Montreal, the Harbour Commission has always paid the interest on all bonds guaranteed by the Dominion Government, if I remember rightly; but in the case of Quebec city, if my memory serves me aright, the Commission there have never paid a dollar of interest on their bonds, although that is a great port. I am not finding fault with the Government for having guaranteed those bonds, for I think it is the duty of the Dominion to develop that port. I am not saying that this was wrong, because it was a development of our policy in the interest of the country as a whole. But in the case of this Bill we are starting on a new principle—guaranteeing bonds for bridges across rivers within the province itself; and a policy of that kind will lead to similar applications which cannot be refused. We must remember that the taxation of this country to-day is very high, and we must be careful not to assume more liabilities, involving increased taxation. I do not think that in the end the Government will have to pay a dollar in this case; but it will put the Dominion Government in this position, that when another province with just as good a right comes and asks for similar treatment, the Government will have to grant it. If we had the local Government joined with us, then in case of any loss or liability the province itself would have to assume its share of that.

I hope I have made myself clear. I have spoken simply to protect the Dominion in future from similar applications.

Hon. Mr. BEIQUE: This matter has been presented fairly by the honourable member from Grenville in stating that the building of the bridge is a necessity, and that it will very likely pay for itself. In order to weigh his objection, let us consider the facts. Why is the construction of the bridge necessary? It is because the Victoria bridge is overloaded. That bridge is used not only by the railways but also by a tramway which extends to St. Lambert, to Grand Bay, and to the Eastern Townships.

Hon. Mr. REID: But the Victoria bridge was built as a railway bridge, and there was a ferry at that time for passenger traffic. In the end they put a roadway across it, but that bridge was not built for a roadway, while the bridge we are now discussing is for a roadway.

Hon. Mr. BEIQUE: Yes, but I am calling attention to the fact that the new bridge has to be built because the Victoria bridge has become insufficient, and in order to remove from Victoria bridge the tramway, which is a kind of railway, and which may to-morrow carry freight to a certain extent, but at any rate extends into the Eastern Township. That is one of the reasons, but not the only one. The new bridge has to be built also in order to accommodate the port, and its cost is considerably increased by that fact, for it must be built 150 or 180 feet above the level of the water.

The argument of the honourable gentleman is to the effect that, although it is fair that the Dominion Government should contribute equitably to the building of that bridge, the province also should contribute. I call the honourable gentleman's attention to the fact that the bridge is to be built at such elevation for the accommodation of the port, but it is to be a pay bridge, and therefore it does not matter whether it is the Provincial Government or the City of Montreal or the inhabitants of the Province of Quebec who contribute. The question is as to whether the guarantee of the bonds represents more than the share of the Government. The honourable gentleman admits that the bridge is not likely to cost anything to the Dominion Government, because it will be self-supporting on account of the enormous traffic over it, and therefore the Government will not be called upon to pay anything on account of its guarantee.

Hon. Mr. BLACK: Honourable gentlemen, I rise merely to say that there will be an application in the near future for the construction of a bridge across the harbour of St. John, from the west side to the city. I am speaking of it now, because I hope it will get the same measure of support that is accorded to this bridge in Montreal.

Hon. Mr. GORDON: I think the principle of the Government guaranteeing the bonds for a bridge is unsatisfactory. The guarantee of bonds is on a par with the act of a man endorsing a note; although it looks sure that the note will be paid in time, yet every person is not anxious to go on the note.

Hon. Mr. DANDURAND: Except on a rich man's note.

Hon. Mr. GORDON: Yes, but we have had cases of bridges falling down, although I hope that will not happen in this case. I have every reason to believe that the opposition of the honourable member from Grenville is well founded, and I feel just as he does, that while the bridge is a necessity, and I hope it will pay in the end, yet I think that the passing of this Bill would be establishing a precedent, and a vcious one at that.

Hon. Mr. DANDURAND: I desire to say one word. The Federal Government, being called on for a share of the cost of building this bridge, would give it without any hesitation, and I suppose that no one would blame the Government for contributing in cash its share for the building of a bridge which, on account of navigation, must be built 150 feet above the water. This bridge being at the port of Montreal, and navigation absolutely requiring that the bridge shall cost 3 times what it would cost otherwise, if the city of Montreal applied to the Dominion Government, it would be granted a certain proportion of the cost.

Now, what is the Dominion Government subscribing? It is simply giving its signature in order to enable the Harbour Commissioners to get the advantage of a saving of half of one per cent, or one per cent, on the interest they would otherwise have to pay in placing their bonds; that is all. The Harbour Commission is an institution that has a profit on its operations of hundreds of thousands of dollars a year, that meets all its obligations that is in a city which is increasing by 50,000 a year in population. We are simply giving a signature that will cost nothing to the country, and I think we are making a contribution that is as light as it can be.

Hon. Mr. GORDON: But my honourable friend ought to know, as a banker, in which line he has had some experience, that it is always better to limit your liability, and know what it is. For my part I would rather see the Government put a substantial amount into this project and know that that would be the end of it. If the Government are going to lend themselves to the endorsing of all kinds of projects they will get enough of it. As my honourable friend from Grenville has said, this is just the thin end of the wedge. After all, an endorsation and guarantee of this country is something, and the more of that we have the lower our credit is going to be in the eyes of others. I think the sooner we stop this guarantee business the better. It seems to me that ever since this Session opened Bills have been coming to us for the guaranteeing of railways, the guaranteeing of bridges, and the guaranteeing of everything, and we have now reached the time when the Senate should consider that the endorsation of the Government means something.

Hon. Mr. McCORMICK: I am trying to find in this discussion how I can vote. From what I have heard I have figured the matter out like this. It is admitted that Montreal is a port of national importance. It is also admitted that bonds have been guaranteed up to this time for the improvement of the port, and that they have not been any charge upon this country, as the interest has always been paid. The next thing that occurs to me is that the bridge that is to be built is necessary for Montreal, even without considering transportation and the harbour of Montreal as a means of outlet and inlet for the produce of other parts of the country, and for the accommodation of goods coming into this country. The next question is, is it a work that is required by the province of Quebec or the city of Montreal as a province and as a city? From what I have heard here it is acknowledged that it is, and on that account I feel that the vote should go through. This matter of transportation is a matter of pride to the whole of us. The port of Montreal is a credit to the people who have been managing its affairs. Notwithstanding all the disadvantages they had to encounter in deepening the channel, the port is to-day the greatest grain port on the North American Continent, and the greatest wheat exporting port in America. I stand subject to correction, but I believe the purpose is to prevent congestion in the port, or to relieve the situation in that regard.

We have the International Joint Commission report with regard to the project that is now engaging the attention of the Government of Canada and the United States, that is, the deepening of the St. Lawrence waterway. People concerned in shipping or port improvements, including some very important men across the line, say that it is

not possible to make improvements in the port of New York that will enable it to accommodate the increasing traffic that they expect to go there in the near future.

In view of that fact and the fact that Canada is a new country, with few outlets and with difficult climatic conditions prevailing, I think we should not take a narrow view of this matter. I think we should be generous. We ought not to place restrictions in the way, because it has not been customary for the Dominion to build bridges in other Provinces. The fact that the port of Montreal is a great national necessity, and will remain a great national necessity, as an outlet for the growing traffic from the West, is something that should be considered, and I think the proposal should receive the reasonable support which is asked for in this Bill.

Section 1 was agreed to.

Section 2, the preamble and the title were agreed to.

Hon. Mr. BRADBURY: Before the honourable gentleman leaves the Chair, I desire to serve notice on the honourable leader of the Government that in the near future the town of Selkirk will ask for the assistance of the Government to build a bridge which it has been trying to get for a number of years.

Hon. Mr. McMEANS: The Province of Quebec will build it for you.

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.

CANADA SHIPPING BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 262, an Act to amend the Canada Shipping Act.

He said: Honourable gentlemen, this Bill is a very short one and is self-explanatory. It is composed of one clause:

> Any foreign built vessel captured or seized during the war 1914-1919 by British forces or nationals and condemned as prize of war or ceded by enemy states to Great Britain or British nationals by the Reparations Commission under the Peace Treaties following the war, and placed on British registry, shall for the purposes of this Part and of The Customs Tariff be regarded as a British-built ship and as entitled to engage in the Coasting Trade.

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

THIRD READING

Hon. Mr. DANDURAND: Honourable gentlemen, I have read the whole clause, and I think we might dispense with 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.

THE BRITISH PREFERENCE

MOTION WITHDRAWN

The Senate resumed from the first sitting consideration of the motion of Hon. Mr. David:

> Resolved, That in the opinion of the Senate the sections of the Customs Act which provide for a preferential duty on imports from Great Britain be repealed until such time as the British Government grant a reciprocal tariff on goods imported from Canada or suspended until some agreements have been arrived at.

Hon. Mr. DAVID: Honourable gentlemen, I rise only to tell you that I intend withdrawing my motion. I have been advised to do so by honourable members on both sides of this House, gentlemen whose judgment I esteem, and I have thought it proper to follow their advice. One reason is that at this stage of the Session the adoption of the motion could have but little effect. Naturally the Government would not have time to take any action in the matter.

Before taking my seat, however, I desire to correct two or three assertions that have been made.

Reference has been made to the importations of woollen goods and footwear from England. I have received a statement and letters from important manufacturers in Montreal, demonstrating that the importations are not to be judged by the value of the goods, but that it is necessary to take into consideration the quantities—the number of yards of woollen goods, or the number of pairs of boots and shoes. I will not enter into the details, but will cite only a few figures. The statement shows that the importations of woollen goods in 1923-24 were twelve and thirteen millions in excess of the importations in 1891-92. This shows that the assertions made by the manufacturers and also by the honourable member for Montarville (Hon. Mr. Beaubien) in his forceful and very eloquent speech, and by the honourable gentleman from Stadacona (Hon. Mr. Webster) and the honourable gentleman from Sydney Mines (Hon. Mr. McCormick), were correct and that their arguments were well founded.

The same explanation applies to the importations of boots and shoes: in order to judge of the importations you must consider the quantity and not the value.

Why is there this difference? It would take too long to state all the reasons which have been given us by the manufacturers in their documents. I have piles of documents on that question of importations and on the Imperial preference and they establish in the clearest manner that importations from England, especially of woollen goods and boots and shoes, have done a great deal of harm to our manufacturers.

The right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) did not deny that the Imperial preference was hurting our industries, especially the woollen industry; but he said that my motion was not sufficient, because Imperial preference was not the only evil of which the manufacturers had the right to complain—that there were five evils from which they suffered, and that it was not sufficient to cure only one of them. Well, I have always thought that when a doctor is called in to attend to a patient who is suffering from five diseases, he ought not to be blamed if he does not cure them all at once.

Hon. Mr. CASGRAIN: He is doing well if he cures one.

Hon. Mr. DAVID: I think he should begin by treating one of the ailments. That is exactly what I have tried to do. It is because I have been convinced by manufacturers, competent men, that the British preference is an evil urgently requiring treatment, that I decided to introduce this motion.

The second objection is that Imperial preference is useful to our manufacturers and they would suffer by its abolition, because it applied to raw materials used by them in manufacturing their products. Let us take first the woollen industry as an example. The principal raw material entering into the manufacture of those goods is wool, and wool is admitted free of duty. So the abolition of the preference would do no harm to the manufacturers in that respect.

Hon. Mr. CASGRAIN: The argument falls to the ground.

Hon. Mr. DAVID: Furthermore, it was established in the Gazette that the importation of raw materials had no effect upon the price of goods imported from England. Statistics have been published showing that the importation of wool has not increased in proportion to the increase in the importation of manufactured products. I have statistics demonstrating this, but I will not bring them before the House at the present time.

The final objection, and that which seemed most to impress honourable members of this House—and it was supported by my honourable friend from De Salaberry (Hon. Mr. Beique)—was that the abolition of the British preference would place England in an inferior position in relation to other countries. But that objection, as has been so well said by the honourable member for Montarville (Hon. Mr. Beaubien), must not be taken seriously. The only effect of the adoption of my motion would be to open the door—to put the whole question before the Government; and the Government, if they thought it proper to give effect to the motion, would naturally alter our fiscal relations with England and other countries and make arrangements which would benefit our industries; but they naturally would not favour other countries to the detriment of England. There is no danger that in such circumstances any Government, whether Conservative or Liberal, would modify the tariff in such a way as to injure the interest of England. Have no fear of that. I would not, to do it, and nobody would.

Honourable gentlemen, in making this motion, I have been only the echo of all the principal manufacturers of the country and the associations of manufacturers. I was convinced that what they required at the present time was the modification of the Imperial preference. They must know what they want, and they have a right to feel that what is to their interest is to the interest of the country; and they were supported by almost all the important English papers in the country. They had the support of the Gazette, which is such an authority; and even the Globe, the champion of free trade, admitted that the complaints of the woollen manufacturers deserved consideration.

I contend that the amendments proposed by the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) add nothing to my motion, because, as I have already stated, the Government would be free to do what they thought proper, if the question were opened. The Government, if they decided to put my motion into effect, would have the right to do what has been suggested by the right honourable member for Ottawa.

If it were demonstrated that our trade relations with other countries, even with France itself, were injurious to our national industries, I would ask—even my love for France would not prevent me from asking—

that such relations be modified; for I put the interests of Canada before and above ali other interests.

I beg leave to withdraw my motion.

The Hon. the SPEAKER: I have to point out to the honourable gentleman from Mille Iles (Hon. Mr. David) that an amendment has been moved to his motion, and that the amendment must be withdrawn before the motion can be withdrawn.

Hon. Mr. DANDURAND: The mover of the amendment has not returned.

Hon. Mr. CASGRAIN: He is at sea, and so are we.

The Hon. the SPEAKER: Some other honourable gentleman will have to take the responsibility.

Hon. Mr. CASGRAIN: I take the responsibility of asking that it be withdrawn.

The amendment of Right Hon. Sir George E. Foster and the motion of Hon. Mr. David were accordingly withdrawn.

FINLAND TRADE AGREEMENT BILL

CONSIDERED IN COMMITTEE—BILL REJECTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 239, an Act respecting trade between Canada and Finland.

Hon. Mr. Taylor in the Chair.

Hon. Mr. DANDURAND: I ask Mr. Russell to come to the floor.

On section 1—short title:

Hon. Mr. DANDURAND: I was asked under what conditions the Government had been prompted to bring this legislation before Parliament. As far back as the 7th of March last the Secretary of the Canadian National Millers Association wrote to the Minister of Trade and Commerce as follows:

> Dear Sir,—I understand that negotiations are pending with regard to a commercial treaty between the United States and Finland. I believe a commercial treaty now exists between Great Britain and Finland, and that Canadian goods would come within this treaty. As the Finnish trade in flour is still in the hands of the United States mills to a large extent, we would like to suggest that some action be taken through your Department to protect the interests of Canadian flour shippers in the event of this treaty between the United States and Finland working to our detriment. This is a valuable market. and one we would like to retain.
>
> Yours truly,
>
> F. C. Cornell.

Hon. Sir JAMES LOUGHEED: Does my honourable friend know whether any arrangement has been entered into between the United States and Finland?

Hon. Mr. DANDURAND: There are some publications that follow the doings of the United States in that regard fairly closely, and it is not without some degree of information that certain parties in Canada, who are attempting to develop their trade with Finland, have become somwhat nervous as to what was going on. There is a publication called "Commerce Reports."

Hon. Sir JAMES LOUGHEED: Would the Government regard it as desirable to enter into this arrangement before a similar arrangement was entered into by the United States? Would it not be soon enough to enter into such an arrangement when the United States had done so? Under the arrangement between Finland and the Imperial Government, Canada could go in at any time.

Hon. Mr. DANDURAND: Canada can only go in if it has the authority from Parliament. That is why the Department of Trade and Commerce and the Department of Finance took the matter up; and when they found that Finland was exporting to Canada hardly anything—$6,000 worth last year—while we were exporting $1,700,000 worth of goods to Finland, and that there seemed to be the beginning of a profitable trade in industrial goods besides quite a large sale of flour, it struck them that there was really some progress to be made.

The only objection that has been raised is that Finland has large forests and is making kraft wrapping paper. I answer that argument by stating that as Canada is exporting that same article to the extent of $3,000,000 a year, and meeting the competition of the world in foreign markets, surely in view of the fact that Finland sent to us last year not more than $2,000 worth of paper, there is no very great danger of our markets slipping from us with a duty of 20½ per cent.

Hon. Mr. GORDON: Does the honourable gentleman know how many tons of kraft paper Finland exports to the United States?

Hon. Mr. DANDURAND: Finland manufactures 40,000 tons of kraft wrapping paper a year.

Hon. L. C. WEBSTER: Is my honourable friend aware of the fact that the export trade by the Canadian mills is done at a loss? He has referred to it as being a very profitable portion of their trade.

Hon. Mr. DANDURAND: I would be somewhat surprised to hear that our manu-

facturers were carrying on that trade at a loss for any appreciable time. There are times when such a thing occurs, but it is very abnormal. From the balance sheets of our pulp and paper institutions which appear annually, I would judge that if they have their lean years they also have their good ones.

Hon. Mr. BEIQUE: Many have gone to the ground.

Hon. Mr. DANDURAND: Yes, but we are now discussing a question which concerns the general welfare of Canada. We have one line of goods that at present receives 25 per cent protection; under the proposed arrangement it will receive 20¼ per cent. Shall we ignore the chance of developing our trade in very many other lines because of the small risk of injury—which may not happen—to a trade that has been able to live, and has been exporting to the world markets where it meets the competition of the Finnish products? I cannot see that under such conditions it would be good business for us to abandon the opportunity of developing our trade in Finland, when there is no clear argument to show that any of those big industries will suffer because of a reduction in the tariff of 4¾ per cent.

Hon. Mr. BEIQUE: May I ask two questions? Has not the honourable gentleman noticed, according to the figures given by an honourable gentleman yesterday, that labour represents at least 70 per cent of the cost of the paper, and that with wages in Finland of from $3.50 to $5.50 a week, as compared with our wages, the difference represents more than the 20 odd per cent of duty?

Hon. Mr. DANDURAND: To that question I may answer that I have had occasion to examine similar arguments made against German products, and I have found that what seemed from the outside to be a very considerable depreciation was to the same extent a depreciation within the country where the wage was paid?

Hon. Mr. BEIQUE: Is the honourable gentleman sure the same thing applies to Finland? My information is that it does not.

My second question is this. Does not the honourable gentleman consider that it would be fair to give an opportunity to an important industry like the paper manufacturers to show what damage may come to that industry through opening up a market to Finland?

Hon. Mr. CASGRAIN: It is a very questionable market. I would like to know what we exported to Finland last year.

Hon. Mr. DANDURAND: My honourable friend was not here last night. We received $6,000 worth of goods, and sold $1,754,279 worth.

Hon. Mr. CASGRAIN: What kind of goods?

Hon. Mr. DANDURAND: Rye, $173,600; oatmeal and rolled oats, $63,690; flour of wheat, $1,322,501; lard, $67,425; tires $7,219; pipe and tubing, $37,341; mowing machines, $28,283; cultivators, $1,510; ploughs, $2,526; other agricultural tools and implements, $699; adding machines, $19,125; other machinery, $7,820; automobiles, $13,523.

Hon. Mr. CASGRAIN: I thank the honourable gentleman.

Hon. Mr. DANDURAND: We sold those goods under the general tariff, and the motor cars in order to get in paid 20 per cent. Under this convention they will pay 8¾ per cent.

Hon. L. C. WEBSTER: What was the amount for motor cars?

Hon. Mr. DANDURAND: $13,523.

Hon. L. C. WEBSTER That might be four or five cars.

Hon. Mr. DANDURAND: My honourable friend will notice the change under the conventional tariff. Motor cars weighing not more than 900 kilogrammes, 3.50 markkas; under the conventional tariff, 1.81 markkas. Weighing more than 900 kilogrammes, under the general tariff, 5 markkas; under the conventional tariff, 2.18 markkas. Motor lorries, 10 per cent, and wheels, 20 per cent, under the general tariff; under the conventional tariff 8¾ per cent. Preserved anchovies, sardines, and other fish, 20 markkas per kilogramme under the general tariff; under the conventional tariff that is reduced to 11 markkas. Here we have a country with 3,500,000 people who have no industries—nothing but their raw materials which I recognize are products of the forest. At the same time we have against them the protection of our own market a duty of 20¼ per cent. Should we miss the opportunity of cultivating that market?

Hon. L. C. WEBSTER: I thought that after the honourable leader had listened to the arguments that had been presented against the passing of this Bill, and after having postponed the debate until this evening, he would have presented to us some new and forcible argument in favour of it. Those who were present last night heard perhaps for the

first time that our pulp and paper manufacturers did not know until recently that this Bill was to be introduced at this time. They were not aware until a few days ago of the seriousness of this measure to their industry, which is one of the basic industries of Canada. It was pointed out, honourable gentlemen, that it was not so much a question of Finland having really captured our Canadian trade, but the danger of what she might capture and take from Canada.

Our kraft paper business is to-day in a very serious position. A certain amount is sold in Canada at very little profit. A large quantity of this kraft paper is exported at a loss. Canada has suffered severely from the competition of the Scandinavians, and we are suggesting at this time to give a preference to Finland, a country from which we may expect even worse competition than that of Scandinavia. We are anxious, honourable gentlemen, to build up our Canadian industries. We invite capital to come to Canada, and there are to-day millions of dollars invested in the pulp and paper industry in this country. I contend that it is not advisable at the present time to pass this Bill. No one will suffer if it is postponed for six months in order that the manufacturers may meet with the Government and discuss the matter, a privilege which has not been theirs up to the present time.

If this Bill goes through, honourable gentlemen, it will mean that our Canadian mills manufacturing kraft paper will be forced to close, or else endeavour to get the working people of Canada to accept practically the same wages as workers in Finland are paid.

We have heard from the leader of the Government of the wonderful resources of Finland. We know of their cheap labour; we know they can ship this kraft paper at a low cost to the ocean ports of Canada, both on the Atlantic and the Pacific, and to the large central cities of this Dominion. The result will be that kraft mills at Dryden, at Three Rivers, one or two on the Pacific coast, and another I have in mind at East Angus in the province of Quebec, and another in Nova Scotia, will either have to close down their business or reduce the standard of living among the workingmen.

I submit, honourable gentlemen, that such a step is not warranted, and I do not think it is the wish of any honourable gentleman present that we should force any factory into liquidation. I ask if there is anything to be gained by putting this measure through this Session. Is there any reason why we should chase a shadow? It is suggested that we may possibly increase our trade with Finland; but every honourable member knows that there is not much chance to increase our trade with a country having a population of only 3,000,000, and which produces goods which will come into competition with those that Canada exports.

If it is the wish of some honourable gentlemen present that goods from Finland should come into Canada more readily in competition with our own Canadian manufactures, accomplishing this in the form of a Treaty, then I believe the sooner the people of this country know of that the better. Let the interested parties meet with the Government and discuss the situation. I think an opportunity should be given to our manufacturers, who are so vitally interested in this question, to meet with the Government before such a Treaty is passed.

Hon. Mr. GORDON: Is it just kraft manufacturers who are afraid of this competition?

Hon. L. C. WEBSTER: I do not think it is confined entirely to kraft manufacturers. They are the ones who feel that they will suffer most if this Treaty should come into force. I have in my hand several letters, but the substance of them has been read in this Chamber.

It is not my desire to detain the House any further with details. I now move that the Committee rise.

Hon. Mr. GORDON: Before putting that motion—

Some Hon. SENATORS: Order, order. Question, question.

The motion in amendment, that the Committee rise, was agreed to: yeas, 32; nays, 5.

The Committee rose.

EXPROPRIATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 117, an Act to amend the Expropriation Act.

Hon. Mr. Gordon 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.

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 254, an Act to amend the Royal Canadian Mounted Police Act.

He said: The provisions proposed to be repealed provide for the fixing of the rate of pay of the Force for a given period which expired on the 31st of May last and the main purpose of the amendment is to empower the Governor in Council from time to time to fix the rates as the circumstances may require.

Hon. Mr. GRIESBACH: I propose to take advantage of the second reading of this Bill to draw the attention of the House to the position of affairs in connection with the pensioners of the Royal Canadian Mounted Police who took their discharge a good many years ago, and are still living on terms that are distinctly disadvantageous to them, and to draw the attention of the Government to the differences between pensions paid now and those paid formerly, in proportion to the terms of service.

The Mounted Police pension is based on the amount of pay and rank at the time of discharge. Prior to the war the pay was 50 cents a day. This was raised to 75 cents, and during and after the war was raised to $2 a day. I am going to read the names of certain individuals who are pensioned under the old rate, and show the difference between the old and the new rate. I would ask honourable gentlemen to compare the following figures as to term of service and pension:

Old rate—Const. Jaffrey, N., 20 years service..	$109.50
New rate—Const. Phillips, G. B., 10 years service.	200.75
Old rate—Const. Taylor, J., 24 years service..	204.40
New rate—Const. Jackson, W. J., 25 years service.	669.17
Old rate—Corpl. Connor, J., 20 years service..	154.88
New rate—Corpl. Francis R., 10 years service.	219.00
Old rate—Corpl. Smith, W. W., 27 years service.	235.03
New rate—Corpl. Thompson, F., 12 years service.	262.80
Old rate—Sergt. St. Denis, O., 26 years service.	262.77
New rate—Sergt. Mapley, H. G., 26 years service.	735.46
Old rate—S/Sergt. Keenan, H., 29 years service.	366.00
New rate—S/Sergt. Evans, O. W., 29 years service.	973.33

Now, those ex-members of the Mounted Police have gone into retirement, and in many cases are living side by side, with those startling differences in pension, and people in the whole of the West, especially those who are acquainted with the Mounted Police, are in agreement in asking the Government to remedy this condition of affairs. They point out that the total amount of pensions paid to ex-non-commissioned officers and constables was $36,393.86. Of this amount, $17,611.52 is paid at the old rate. The amount required annually to bring the pension to those under the old rate up to the rate in force from 1919 would be $27,610.25. The present amount of pension paid to officers is $45,972.50. That, however, is covered by superannuation contributions, I think. The amount paid to officers' dependents is $8,696.25. To bring the pension of officers and their dependents under the old rate up to the new rate would require $3,888.60.

I desire to bring these figures, with the striking injustice displayed by them, to the favourable consideration of the Government.

Hon. Mr. CASGRAIN: I tried to follow the honourable gentleman. He means that by the new rate they are getting much more, except the older people whose pension has been fixed, and thus those paid at the old rate are at a disadvantage; is that it?

Hon. Mr. GRIESBACH: My point is that certain Mounted Police officers were pensioned at the old rate, which lasted until 1919. Since that time other men have retired with half the length of service, and yet receive larger pensions. The purpose is to bring all these living men up to a similar standard.

Hon. Mr. CASGRAIN: Then the honourable gentleman would re-open all the back cases, and increase their pensions?

Hon. Mr. GRIESBACH: Yes.

Hon. Mr. CASGRAIN: They retired with a certain pension; that was a contract they made. Now, because other people are given more, they also want more. That is not like the gospel parable, which says those who came at the eleventh hour got as much as those that were there at the first hour, and then they grumbled that that was done.

Hon. Mr. GRIESBACH: My recollection of that story is that nobody grumbled, but that they marvelled. The point is that a man was retired on pension on a very small allowance and immediately following that period came the high prices, the high cost of living, and so on. For example, here is one man with 20 years' service who retires on $109.50; another man retires after 10 years' service and gets $200.75 a year—almost twice as much for half the service. Those are the anomalies that the Government ought to remedy.

Hon. Mr. DANDURAND: It is a matter for the Minister of Justice to examine into. I will draw his attention to the remarks of my honourable friend.

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. Beaubien in the Chair.

The Bill was reported with out 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.

MILITIA BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 169, an Act to amend the Militia Act.

He said: Honourable gentlemen, the purpose of this Bill is to make to the Militia Act certain amendments based on the recommendation of the Royal Commission, which enquired into the Industrial Unrest among the steel workers at Sydney, N.S., and the conditions which occasioned the calling out of the militia in aid of the civil power in the summer of 1923. Section 80, as it stands in the existing Act, only makes provision for the calling out of the militia with their arms and ammunition. The amendment merely adds the word "equipment," so as to give statutory authority for the troops being called out completely equipped, and not only with their arms and ammunition. The amendment is purely a technical one.

Section 81 is in substitution for sections 82, 83 and 84 of the Act, which read as follows:—

"82. If the place where such a riot or disturbance occurs or is anticipated is municipally organized, the mayor or warden or other head or acting head of the municipality, together with two justices of the peace, or in the event of such mayor, warden or other head or acting head refusing or being unable to act, the county or district court judge or one of the county or district court judges having jurisdiction in such place, acting alone, or, if there is no such judge then any judge of a superior court who has jurisdiction in such place, may by requisition in writing require the Active Militia, or such necessary portion thereof to be so called out."

"83. If the mayor or warden, or other head or acting head of such municipality refuses or is unable to act, and there is no such judge or the judge or all the judges, who might have acted are absent, or unable to act, any judge or magistrate who has the power under the Criminal Code of two or more justices of the peace, and has jurisdiction at the place where such riot or disturbance occurs or is anticipated, may, acting with two justices of the peace, make the requisition.

2. If there is no such judge or magistrate residing or being at such place and able to act, any three justices of the peace having jurisdiction there may make the requisition."

"84. If the place where such riot or disturbance occurs or is anticipated is not municipally organized, the county or district court judge, or one of the county or district court judges, having jurisdiction in such place, or if there is no such county or district court judge, then any judge of a superior court who has jurisdiction in such place may make the requisition."

This clause gives effect to the recommendation of the Royal Commission that the requisition requiring the militia to be called out in aid of the civil power should be made jointly by a judge, having jurisdiction in the place where the riot or disturbance occurs, and the Attorney-General of the province.

These clauses are replaced by new section 81, providing that the Attorney-General may requisition the Active Militia upon receiving notification from a judge.

The principle of the Bill is to transfer the authority for the calling out of the Militia in the case of an impending riot, from the Mayor of the municipality to the Attorney-General of the Province.

Hon. Mr. McCORMICK: This Bill makes provision that where the Militia are required it shall devolve upon the Attorney General of the Province to cali them out; also that the transportation and maintenance costs of the militia shall be upon the province. I think that is something that we ought not to pass. The disturbances down in our province have been largely around the coal mines, with the exception of the strike in Sydney. The coal and steel industries in our province are so closely allied that they may be considered as one. It would be a very serious thing for the Province that in the very year when a strike took place and lasted perhaps two or three months, and the Province's largest item of revenue was affected. In that very year the Province would be called upon to make provision for the payment of the Militia called out.

Coal mining started in the eastern part of Nova Scotia, the country of Cape Breton, about 1826, and in the fifty years from 1826 to 1876 there were only two strikes. From that time there was not another strike of any importance in the mining sections of Cape Breton and Pictou until 1909.

I think that there has perhaps been a wrong impression created because of the frequency of industrial disturbances on the Island of Cape Breton in recent years. In the earlier years that I mention, from the beginning of mining in the county of Cape Breton until the year 1876, the mines were worked largely by natives, men whose fathers had come in from the Old Country. A large number of

men who have come in from the Old Country in recent years are quite different. The men who came at first were industrious, and they were not imbued with such ideas as prevail amongst some of the men who have come recently. The men who come, not from Russia, Hungary or Italy, but from the British Isles—from Lanarkshire in Scotland or from Lancashire in England—these are the men who have mainly caused the disturbances; not because they are in the majority, but because they are in the leadership. It seems to me that the industrial unrest was just a passing phase, and that it is now pretty well over. In my judgment, and in the judgment of many with whom I am acquainted, the leaders have lost control and there is likely to be less industrial trouble in Cape Breton than we have had in recent years.

With the development of our industries and the increased number of men required in the steel works and coal mines it is necessary to bring in additional workers to meet the demands; but unfortunately many of those who have come in are imbued with false ideas, as shown by the unlawful acts that took place in the county of Cape Breton during the strike period. Now, it is too bad that because people must be permitted to come in to work in the coal mines, and because there has been lawlessness among the element that got into control, a great hardship should be imposed upon the people of Nova Scotia. The prosperity of our enterprizes is a matter that concerns the other provinces of Canada, because they profit by it. There has been in the Maritime Provinces a large consumption of the goods that are manufactured in the other Provinces, Quebec and Ontario, and it is a matter of interest to these other provinces that our industries be kept in operation. If a strike occurred down there and it were necessary to call out the militia, would it not be too bad that in the year when the people of the province, who had no hand, act or part in the strike, were adversely affected by it, they should be amerced for the cost of maintaining order?

I have here a telegram from the Premier of Nova Scotia, who says he was given to understand that this provision would not be included in the Act. Perhaps I had better read the telegram:

Halifax, N.S., July 17.

Just informed amendment to Militia Bill passed Commons, imposing burden of payment for militia on province where militia called out. On behalf of Government of Nova Scotia I protest against this amendment and respectfully ask that objectionable clause be removed from the Bill. Was assured by Minister of Defence that this clause would be struck out in Commons. Would appreciate your assistance in this regard.

I think that the clause should be struck out. What are the Militia for? Similar occurrences will undoubtedly take place in other provinces. With the development of the immensely rich resources in the Province of Ontario and Northwestern Quebec, it will be necessary in the course of a few years to import labour and establish communities similar to those we have in Nova Scotia. Men will come in from across the water, from places where similar industries are carried on, such as rock mining. There are not enough people in this country to meet the demands of the near future. The establishment of such communities is of advantage to the country—to the farmers and to the manufacturers of everything that is needed in the home. Such communities cannot be built up except by the importation of the labour required. Under these circumstances it seems a hardship to tax the community because through an outbreak the Militia has to be called out. I think it is a matter of national concern. I therefore move that the clause be struck out.

Hon. Mr. CASGRAIN: We are now at the second reading. The honourable gentleman can move the amendment in Committee.

Hon. Mr. DANDURAND: Honourable gentlemen, I think that the situation is quite clear. We are at the second reading when the principle of the Bill must be accepted or rejected. Hitherto the responsibility for the calling out of the troops has been upon the municipality concerned.

Hon. Mr. GRIESBACH: Pardon me. The municipality does not call out the troops, does it? As a matter of fact, the troops are called out by three magistrates.

Hon. Mr. CASGRAIN: It applies to the magistrates to have them called out.

Hon. Mr. GRIESBACH: No, not necessarily.

Hon. Mr. DANDURAND: It is the justice of the peace or the mayor who applies.

Hon. Mr. CASGRAIN: The mayor reads the Riot Act.

Hon. Mr. GRIESBACH: Pardon me. The honourable gentlemen are both wrong, I think. I think that three magistrates call out the troops.

Hon. Mr. ROBERTSON: Or the county judge?

Hon. Mr. DANIEL: The judge can call them out.

Hon. Mr. GRIESBACH: Either the troops are called out by three magistrates, or, in the absence of the magistrates, a judge calls them out; and the Militia Act lays upon the municipality in which the disturbance takes place the cost of maintaining the Militia.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. GRIESBACH: That is different from what the honourable gentleman stated.

Hon. Mr. DANDURAND: Under the law as it stands it is the municipality that is supposed to pay the cost of the calling out of the troops and their maintenance while out; but as a matter of fact this provision is in many instances illusory, because the municipality is unable to pay, and refuses to pay, and the money is not collected. Therefore it is the Federal exchequer that pays for the calling out of the troops.

Now, the administration of the Criminal law falls upon the provincial authorities. The person charged with the maintenance of peace and order in the Province is the Attorney General. This Bill aims at shifting the responsibility for the calling out of the troops from the mayor or judge to the Attorney General of the province, and declares that when he does ask for the troops the Province shall pay.

We are confronted with these alternatives: the municipality shall continue to be liable and will not pay; or the Province shall be taxed for the calling out of the troops; or the Dominion Government will bear the expense. According to this Bill, the costs will not be payable by the municipality, because in many instances, as in the case of Sydney, the municipality would be bankrupt if it had to pay the bill for the maintenance of troops for many weeks or months. We have now decided who shall be responsible for the calling out of the troops. Some of the Provinces have provincial police for emergencies, but others have not. We are not dealing simply with the case of Nova Scotia; we are facing a problem that covers the whole Dominion, and must deal with it in a way that may be applicable to all the Provinces. This is a clear-cut proposition. Shall the province that needs the troops and calls them out pay for their maintenance, or shall the Dominion pay? That is a clear question now before the Senate.

Hon. Mr. ROCHE: Honourable gentlemen, what is the Militia for? Is it not to preserve peace, order and good government in the Dominion as a whole? For what do we pay the Militia? Why does the Province of Nova Scotia, for instance, pay its share of the cost of maintaining the Militia? When the Militia are to be of use, must the Province pay over again? There is no additional cost for pay or maintenance of the troops when called out, because they are under ordinary pay, and their maintenance costs no more in the place to which they may be dispatched than in the place where they are usually stationed. The only extra cost is that of transportation. The next point is this. The troops are in garrison at Halifax. They are all seasoned veterans. They have their equipment—their guns, machine guns and ammunition, and bedding and appliances of all kinds. All that is needed is to transport them to the place where an outbreak occurs. The place where there may be an outbreak in the province of Nova Scotia, for instance, is the coal-mining district. The population gathered there are hardly amenable to order and the usual regulations of society. Unfortunately the men are inflamed by agitators and levellers, who have no regard for property or the rights of others, but simply follow their own free will. They feel at liberty to strike and damage property at the instigation of any trivial cause whatever. The force that is required to intimidate them and quell the state of disorder is a formidable force. If an ordinary Militia regiment were turned out, the people would ridicule them and laugh at them, and it would be something like Falstaff's ragged regiment without any arms and without regular uniforms. The mere appearance of an armed force in a district like that is sufficient to quell any disturbance. A little further on the Mayor or the Magistrate calls for an armed force, and always, as a preliminary, before using the armed force, he calls upon the people to disperse and reads the Riot Act. If the people do not disperse they take the consequences. I think it would be a charge to ask a province to pay for a force to which it already contributes—a force established purely for the purpose of preserving order and peace throughout the Dominion.

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. Blain in the Chair.

New section 80 was agreed to.

On new section 81—Attorney General may requisition Active Militia upon judge's notification:

Hon. Mr. GRIESBACH: This, of course, as the leader of the Government has said,

is the vital clause of the Bill. It contains the provision that the Attorney-General shall call out the troops. I intend to move in amendment that there be inserted after the word "occur" in line 20 the words "of his own motion or." The clause as it stands at present says:

> In any case where a riot or disturbance occurs, or is anticipated as likely to occur, the Attorney-General of the province in which is situated the place where such riot or disturbance occurs, or is anticipated as likely to occur, upon receiving notification from a judge—

and so on. Now, there may not be a judge in the locality; the judge who ought to be in the locality may be absent, or he may be ill, or he may neglect or refuse to act in a case of emergency. The purpose of my amendment is to place fairly and squarely upon the shoulders of the Attorney General the duty and the responsibility of being cognizant of the whole transaction from beginning to end, and to permit him, with or without notification from a judge, to act.

Hon. SMEATON WHITE: I move in amendment to the amendment that this clause be struck out altogether.

In the first place, these riots may happen in districts where it is very difficult to communicate with the Attorney General. As I read clause 81, some days might elapse before the machinery could be put into motion, and, as honourable gentlemen know, if there is any cause for calling out the Militia, it is a riot, and that occurs in a few hours or in a few minutes, and valuable property may be damaged. If we are going to have such complicated machinery as this, it will not be possible to call out the Militia at all.

Hon. Mr. DANDURAND: I draw attention to the fact that in most instances the Attorney General will be the channel of communication with the Federal authorities, and that he will be far more active than the mayor or the judge. The Attorney General can readily be reached and as he is accustomed to communicating with Ottawa, he will do so with a promptness that will be far greater than is the case under the present Act.

Hon. Sir JAMES LOUGHEED: Suppose he is not on the ground?

Hon. Mr. CASGRAIN: There will be a substitute.

Hon. Sir JAMES LOUGHEED: The Bill makes no provision for that.

Hon. Mr. DANDURAND: His office is there.

Hon. Mr. TANNER: Can the leader of the House refer to any case in which there was delay? Speaking for Nova Scotia, I know there has never been any delay.

Hon. Mr. DANDURAND: There must have been in Sydney last summer, because troops came from as far away as Winnipeg.

Hon. Mr. McLENNAN: But there was no delay in calling them. The officials on the ground are in a better position to judge of the necessity than is the Attorney General, who may live, as he does in Nova Scotia, 300 miles away. In other provinces, the distance may be even greater. The Attorney General, according to the telegram which was read, and which I think every member from Nova Scotia received, does not wish this clause.

Hon. Mr. DANDURAND: I am not surprised.

Hon. Mr. ROBERTSON: I would like to say a word in relation to this Bill. I am quite in accord with the legislation proposed. I have come to that view because of observations of what has occurred during the last couple of years. The law as it stands to-day permits a county judge to requisition troops in case of an existing or anticipated difficulty. The Attorney General of the province also may do so. It has been held by the present Government that the Federal authorities have no power, except to comply with the request that is made.

During the past two years there have been two occasions when the permament Militia has been called out from a very large portion of the country upon the request of a county judge, and I think it is correct to say that there were far more troops called out than there was any need for. The Dominion was called upon to bear the expense—running into hundreds of thousands of dollars—because a county judge was panicky and called out the troops. There ought to be some more substantial authority who would take action of this sort.

In other provinces it has been customary for the Attorney General to requisition troops. I know of two cases in the province of Ontario in which, a few years ago, the Attorney General of the Province hurriedly called for 500 militiamen. It was pointed out to him that that was rather a large order for a fairly small disturbance that was anticipated in an industrial plant, and that did not then exist, and that the Province would be expected to pay the cost. He immediately said that 125 men would do. And instead of 125 troops being sent, 75 Mounted

Policemen went to the place and preserved order, and nothing happened.

This legislation is to prevent unnecessary and extravagant expenditures in the calling of troops in distant parts of the country, where a disturbance may arise when they are absent; and I feel that it is justified. For example, in 1923, the permanent Militia from Winnipeg were called to Sydney, Cape Breton, and honourable gentlemen may remember that in the courts of Toronto recently it was stated by a responsible Minister of the Crown that certain action was taken in connection with an industrial dispute in that city because the troops from Toronto were in Nova Scotia at that time.

I hold that it is not in the interest of good government and public safety that a county judge in Nova Scotia, for example, should have the authority to call the permanent Militia from another Province, and in that way take away the protection that the militia affords in that other Province. I furthermore feel that it should not be within the power of a county judge to put the Federal Government to an expense of probably $100,000 or more, when in all probability the expenditure of a small portion of that amount would suffice. Furthermore, there ought to be financial responsibility behind the authority that orders out or calls for the Militia.

The only criticism that I have to make of this Bill—and I do not know that it arises on this particular section—is that I think it should be made clear that the province should pay for the sending of troops only the additional cost over and above the permanent maintenance costs.

Hon. Mr. GRIESBACH: That is the rule.

Hon. Mr. ROBERTSON: I think it is, but I do not think the Act says so. That is to say, if you have a permanent Militia that are under pay, the Province should not be expected to pay all the expenses, but simply the additional expense that the country is put to.

In times past there have been numerous instances in which troops have been called out, and in which neither the municipality nor the Province concerned has attempted to meet the cost, which has been saddled upon the Federal authorities. I hold that there ought to be some brake put upon local officials and that the person empowered to requisition troops should be none other than the Attorney General of the Province.

I have no objection to the amendment of the honourable gentleman from Edmonton, because cases might arise in which the Attorney General would want to act of his own motion. I think he ought to have that power.

Hon. Mr. McCORMICK: That seems a reasonable solution. I do not think anyone should object to that. If that condition is put in, and the Attorney General has to give the order, and the Province has to furnish the funds for the transportation, it is not likely that more troops than are actually required will be called for. I am prepared to accept that.

Hon. Mr. CASGRAIN: The Government pays the soldiers their ordinary pay. The only expense the Province would be called upon to pay would be for moving them on the train, or extra expense incurred by the men in living away from their barracks. Their pay would be the same.

Hon. Mr. GRIESBACH: That is so in the case of the permanent force. But the moment you call upon the active non-permanent Militia, their pay and expenses begin at once.

Hon. Mr. DANIEL: I think we are not in order in discussing on this clause the question of who pays the expense. That will come up later on clause 89, and we will have the whole thing over again. I think we had better proceed clause by clause. This clause has more to do with the question of who shall call out the militia than with the question of who shall pay for them.

Hon. SMEATON WHITE: I would like to have my amendment to strike out this clause put before the Committee. It seems to me that the purpose of this provision is to make it more difficult to obtain troops. As honourable gentlemen know, in 1919 a number of labour men appeared before a Commission of which I was a member and urged that the Government had no right to send troops to a place where there was a riot caused through a labour disagreement. When those riots occur, it is not a matter of days, but possibly of hours or minutes. The old Act worked perfectly well; and I think the purposes of this section is to make it more difficult to obtain troops. I therefore ask that it be struck out.

Hon. Mr. GRIESBACH: The real purpose behind this clause is this. There are certain Provinces in this Dominion which maintain efficient police forces at their own cost. In the province of Alberta—and to a less extent in the province of Saskatchewan—

they maintain at the cost of the people of the Province an efficient police force. In the Province of Alberta we have a force which has its own machine guns, fast motor cars, bloodhounds, bombs, and all the latest contrivances for police work. It costs the people of Alberta a good deal of money, but the Attorney General of the province of Alberta is kept in complete touch with everything that is going on in that province. You cannot have a riot or disturbance without people, and the people cannot live unless they live in a community, and that community is an organized place where there ought to be a permanent police. An Attorney General in a well-organized Province such as Alberta or Saskatchewan is in instant touch with the conditions. In other provinces where they do not maintain the police—and I may as well mention the province of Nova Scotia—

Hon. Mr. TANNER: You are wrong in that again. I must correct my honourable friend in that.

Hon. Mr. GRIESBACH: I will just explain. In the province of Nova Scotia when they have labour troubles they organize a big police force.

Hon. Mr. TANNER: And they pay for it.

Hon. Mr. GRIESBACH: And after the trouble blows over they turn them all loose. Now, I know Colonel McDonald. He is well able to handle a police force, but there is no police force. If they have trouble down there they enlist an aggregation of thugs and organize them into a police force; but they are no use. If a Province wants to maintain good order it must pay for a police force; that is the only way to do that. If it does not do that, and has periodical disturbances of this nature, it should pay their cost. Why should the province of Alberta, which polices itself, help to police the province of Nova Scotia, or any other province that does not maintain an adequate police force? That is the reason why the proposal that the province should be saddled with the cost appeals to me. In Alberta we pay for our own police force. But we do not want to pay for the policing of any other Province.

Hon. Mr. ROCHE: That is a wonderful force in Alberta: all the Dominion should go up there.

Hon. Mr. GRIESBACH: Alberta and Nova Scotia are both mining provinces. I think Alberta has a larger mining output and a larger mining population than the province of Nova Scotia.

Hon. Mr. TANNER: My honourable friend from Edmonton and the honourable member from Welland seem to think that all the industrial troubles have occurred in Nova Scotia.

Hon. Mr. ROBERTSON: I referred to Ontario.

Hon. Mr. TANNER: The honourable gentleman spoke as though the total expenditure of hundreds of thousands of dollars had to be paid out for troubles in Cape Breton, As a matter of fact, in 50 years the whole expenditure only amounted to about $500,000 for the whole of Canada, and I observe, according to the authority of the Minister of National Defence, that $235,000 was spent in Nanaimo, British Columbia, and $196,000 in Winnipeg. There are several other items of expenditure. So that when the $500,000 is whittled down, the total expenditure which was incurred in Cape Breton is not very large.

Moreover, my honourable friend from Edmonton appears to think very little of the police force which was organized in Nova Scotia. It was put in command of an overseas officer who, I understand, had a very creditable record; I do not know that my honourable friend would say that Colonel McDonald was not a competent man to command.

Hon. Mr. GRIESBACH: I have already said that he is a most competent man.

Hon. Mr. TANNER: I venture to say that the Cape Breton men who enlisted and went overseas were some of the best soldiers that fought in Flanders, and a great many of those men were in that police force. So that I think my honourable friend is either speaking without information on this subject or is carried away by the exuberance of his eloquence for the time being.

As I understand this matter, the move on the part of the Government is simply to avoid making this comparatively small payment of expenses. There has been no complaint. I have read the debates in another place, and there is not one word of complaint in regard to the calling out of the Militia; it is simply a question of putting the expense on a Province in order to relieve the Dominion exchequer.

Hon. Mr. DANDURAND: No, the municipality.

Hon. Mr. TANNER: It may be a very laudable purpose, but I want to remind honourable gentlemen that there are other ex-

penses which have not been collected. If the Dominion Government has been slack in doing its duty as to the collection of these moneys, that is the fault of the Dominion Government. We were told to-night that this country had guaranteed very large sums for developing the port of Quebec very properly, it may be said but that nothing has been collected. The Harbour Commissioners of Quebec are in default—so it was said without contradiction. That is another illustration of not collecting.

It is a known fact that very large amounts, I believe some millions of dollars, that were loaned in the western provinces for grain purposes, have never been paid. The Government was neglectful as to collecting interest payments. Therefore, if the Government has failed in regard to the collection of those amounts due from the Quebec Harbour Commissioners and from the western farmers in connection with their grain supply, it is not a serious default in regard to the militia who were called out for strike purposes. Why should we single out this particular case, and let others go?

I feel disposed to vote for the motion that has been made to strike out this section. I think the law as we have it is, on the whole, satisfactory enough. From my observation I do not think we would be one whit better off by putting this matter into the hands of the Attorney General of a province.

Hon. Mr. GRIESBACH: This section is the one which enables you to call out the Militia. If you strike this out, you have no enabling section by which you can call out the Militia at all.

The proposed amendment of Hon. Smeaton White was negatived: yeas, 12; nays, 16.

Hon. Mr. PARDEE: What does the honourable gentleman from Edmonton mean by his amendment to insert in line 20 the words, "of his own motion or?"

Hon. Mr. GRIESBACH: I mean that the Attorney General can act on his own responsibility, upon his own idea, upon his own information, without the intervention of anybody.

Hon. Sir JAMES LOUGHEED: My honourable friend had better make provision for anyone acting on his behalf. I presume there would be an acting Attorney General in the absence of the Attorney General.

Hon. W. B. ROSS: The Attorney General or his deputy.

Hon. Mr. PARDEE: On his own motion, or on that of somebody acting for him.

Hon. Mr. BEIQUE: Make it, "The Attorney General or the acting Attorney General."

Hon. Sir JAMES LOUGHEED: Yes, because the responsibility is one for the Provincial Government, which acts through its Attorney General.

Hon. W. B. ROSS: It should be the Attorney General or his deputy. If the Attorney General does not personally act, he leaves himself in the hands of his deputy; there is nobody appointed as acting Attorney General.

Hon. Mr. GRIESBACH: I object to the word deputy, because he is an official, and the purpose of this section is to place the responsibility on the Government of the province.

Hon. Mr. CALDER: Everybody must realize that if the Attorney General is absent an acting Attorney General must be there. From my experience as a provincial Minister I know that the Attorney General never left without appointing an acting Attorney General. The deputy has all the powers of the Attorney General, in every province. If the Bill is left as it is, I am sure it will be found to work out satisfactorily.

The amendment proposed by Hon. Mr. Griesbach was agreed to.

New section 81, as amended, was agreed to.

New section 82 was agreed to.

On new section 83—power to call out the Militia in other districts:

Hon. Mr. GRIESBACH: I would like to move, in amendment to this clause, a change of the word "may" to "shall" in line 31, so that it would read:

the said District Officer Commanding or other officer aforesaid shall notify the Adjutant-General.

This is the clause which meets the case mentioned by the honourable member from Welland, of a judge in a province calling out the whole permanent force of Canada. The previous clause deals with this, saying that the District Officer Commanding shall call out the Permanent Force in his district, and if he requires more troops this clause says he "may" notify the Adjutant General. I propose that the word "may" should be changed to "shall"—not that he may ask for more troops, but he shall ask for more if he needs more.

Then, passing on to line 36, it says the Adjutant General "shall" call out such of the Active Militia, etc. I propose to change that to "may," for this important reason. I do not propose that this Bill shall divest the general Government at Ottawa and the

staff of the full responsibility for the disposition of troops in Canada. As the Bill now stands, the District Officer Commanding may have troops ordered by the Attorney General, and can compel the Adjutant General to continue to send him troops, though there might be a situation in another part of the country requiring those troops. On the question of the disposition of troops within Canada the Government at Ottawa must be supreme; they must assume the full responsibility, and there must be nothing in this Bill which would divest them of that responsibility. Therefore I move:

In line 31 substitute for the word "may" the word "shall"; and in line 36, substitute for the word "shall" the word "may."

Hon. Mr. DANDURAND: Would the honourable gentleman read the proviso now with those changes.

Hon. Mr. GRIESBACH: Starting at line 25 it will read:

Provided that if the said District Officer Commanding, or other officer aforesaid considers that the services of the Active Militia in Districts other than the one of which he is in command are necessary for the purpose of suppressing or preventing any such actual or anticipated riot or disturbance, the said District Officer Commanding or other officer aforesaid shall notify the Adjutant-General of the number of officers and other ranks, together with their horses and equipment which he so considers necessary, of which number the said District Officer Commanding or other officer aforesaid shall be the sole judge, and upon receiving such notification the Adjutant-General may call out such of the Active Militia as in his judgment are available to meet the requirements of the said District Officer Commanding, or other officer aforesaid, as set forth in such notification, and shall cause them to be despatched to the said District Officer Commanding, or other officer aforesaid.

If the word "shall" were left in, the Adjutant General would be required to send any troops as long as the District Officer Commanding required, and he might thereby denude every part of the country of troops By changing the "shall" to "may" you leave to the Adjutant General the full responsibility of the disposition of troops.

Hon. Mr. ROBERTSON: I would like the view of the leader of the Government and the honourable gentleman from Edmonton as to the desirability of making a further amendment in line 30:

The said District Officer Commanding or other officer aforesaid may notify the Adjutant-General, and so on.

I think after the word "aforesaid" it might be wise to insert the words, "with the approval of the Attorney General," because if the province is to be held responsible for the cost, the Attorney General ought to be consulted before they are called.

Hon. Mr. GRIESBACH: No. The District Officer Commanding is a military commander who is given a task to do, and he must have the right to say what troops he requires, otherwise he will refuse to be responsible for the operation. That has been very carefully thought out. The District Officer Commanding says, "I need so many troops;" he asks for those troops from the Government at Ottawa; the Government at Ottawa has the higher right to say, "We will not give them to you, and you have to make the best use you can of what you have:" That is a matter between soldiers.

The proposed amendment of Mr. Griesbach was agreed to.

New section 83, as amended, was agreed to.

New section 84 was agreed to.

On new section 85—form of requisition:

Hon. Mr. GRIESBACH: It will be necessary to make a slight change in this section. Clause 81 was amended by inserting the words "on his own motion." Here you have the form of requisition, and it occurs to me that it is based on the assumption that the Attorney General acts upon the requisition of a judge. You have to provide some further words for the case in which he acts on his own motion. I submit that this section 85 ought to be amended to read: "Whereas information has been received by me from responsible persons, or;" and then follow on with the present wording. The form would then provide that where the Attorney General is moved thereto by a judge he uses the present wording, and when he acts on his own motion he uses the form which I am now suggesting. I think this slight amendment is necessary.

Hon. Mr. CASGRAIN: Will the honourable member for Edmonton read the new form? We have before us the present one.

Hon. Mr. GRIESBACH: Honourable gentlemen will observe at page 3 of the Bill that the form prescribed provides for the action of the Attorney General when moved thereto by a judge; but we have already amended a previous clause so as to provide that he may act on his own motion. Consequently the form has to be changed to meet either case. My amendment is that at the beginning there should be inserted these words: "Whereas information has been received by me from responsible persons." I offer that as an amendment to take the place of the words: "Whereas a notification has been received by me from the county (district) court judge having jurisdiction in such

place." The wording I suggest is to meet the case where the Attorney General acts on his own motion.

Hon. W. B. ROSS: But I do not think the suggested amendment is in accordance with the provision that the Attorney General may act on his own motion.

Hon. Mr. GRIESBACH: I have no objection to any wording that will fit

Hon. W. B. ROSS: It should read: "Whereas I deem," etc.

Hon. Mr. GRIESBACH: All right. I agree to that.

Hon. Mr. DANDURAND: In nine cases out of ten he would act on his own motion, but it would be after receiving information.

Hon. W. B. ROSS: We might leave the wording as it is in the Bill, and then prepare an alternative for the case in which the Attorney General acts on his own motion.

Hon. Mr. BEIQUE: I suggest that the form of the requisition be left to the Law Clerk.

Hon. Mr. DANDURAND: On reading this form of requisition carefully it occurs to me that the form as it now appears in the Bill might be used when the Attorney General receives notification from a judge, but that whenever the Attorney General acts on his own motion, the first paragraph of the form should be struck out and the requisition should begin:"

Whereas it has been made to appear to my satisfaction that the services of the Active Militia are required in aid of the civil power.

Hon. Mr. GRIESBACH: Very good.

Hon. Mr. TANNER: It will take a month to get any soldiers out, if you adopt the amendment now proposed.

Hon. Mr. GRIESBACH: I withdraw my amendment. Section 85 says:

The requisition may be in the following form, or to the like effect, and the form may be varied to suit the facts of the case.

It seems to me now that this is all right as it is.

The proposed amendment of Hon. Mr. Griesbach was withdrawn.

New section 85 was agreed to.

On subsection 1 of new section 86—what requisition must show:

Hon. Mr. GRIESBACH: I think this clause can be put in proper form by inserting just one word. I take it that the requisition mentioned here is the requisition for the troops. The clause reads:

In every requisition in writing as aforesaid it shall be stated that a notification has been received by the Attorney-General from the county court or district court judge, or from a judge of a superior court, as the case may be.

I think that if you insert the word "or" before the words "as the case may be," it will make provision for the case in which the Attorney General acts on his own motion.

The amendment of Hon. Mr. Griesbach was agreed to, and subsection 1 of new section 86, as amended, was agreed to.

On subsection 2 of new section 86—Requisition to contain undertaking that the province shall pay costs.

Hon. Mr. McCORMICK: I move that subsection 2 of section 86 be amended to read:

Moreover in every case there shall be embodied in the requisition, which shall be signed by the Attorney-General, an unconditional undertaking that the province shall pay to His Majesty the expenses of transportation of militia brought from outside of the province.

That would be instead of providing: "that the province shall pay to His Majesty all expenses and costs incurred."

Hon. Mr. DANDURAND: I suggest to my honourable friend that this matter can be arranged between the province and the Dominion.

Hon. Mr. McCORMICK: I move that amendment.

Hon. Mr. DANDURAND: The Attorney General will take good care not to incur a heavy bill of costs without considering carefully what it means to the provincial treasury.

Hon. Mr. McCORMICK: I move, seconded by Hon. Mr. Martin, that that change be made in section 86. The amendment is to provide that instead of the whole of the cost of the Militia being paid by the province, it shall pay only the cost of transportation of troops brought in from outside of the province.

Hon. Mr. ROBERTSON: Would not my honourable friend's purpose be better served by inserting after the word "all," in the 4th line of the subsection, the word "extra."

Hon. Mr. McCORMICK: "All extra expenses and costs incurred."

Hon. Sir JAMES LOUGHEED: That is all the province is called upon to pay under the

clause as it stands—all expenses and costs incurred by reason of the militia being called out.

Hon. Mr. McCORMICK: That is it. That will be satisfactory.

Hon. Mr. GRIESBACH: You have to be careful with this clause, for the reason that you are dealing with the permanent forces who are in the province, the permanent forces who may be brought into the province, the non-permanent forces within the province, and the non-permanent outside of the province, who may be requisitioned and transported there. The practice of the Government in making up its bill of costs is to charge only the transportation of the permanent troops from their garrison to the place where they are used, plus any other extra costs there may be for accommodation, etc. The pay of the troops and the cost of their equipment are already provided for and borne, no matter where they are.

Hon. Mr. CASGRAIN: Carried.

Hon. Mr. DANDURAND: So there is no amendment.

Hon. Mr. CASGRAIN: No.

Subsection 2 of new section 86 was agreed to.

Subsection 3 of new section 86 was agreed to.

On subsection 4 of new section 86—inquiry and report by Attorney General:

Hon. Mr. GRIESBACH: I would like to ask the honourable leader of the Government what is meant by this subsection. It strikes me as being so much camouflage. It is true that the Commission which investigated the trouble at Sydney brought in a resolution to the effect that there should be an inquiry, but I cannot see what it has to do with the militia or the use of troops. Perhaps the honourable leader could tell us why this subsection is here. As a matter of fact, it cannot affect the military situation in the slightest degree. If a clause of this kind is wanted, it might as well be inserted in the Industrial Disputes Investigation Act, the Public Inquiries Act or any one of half a dozen other acts. It does not belong here at all. It does not affect the calling out of the troops, or the calling in of troops, because that is a matter for the Attorney General of the province.

Hon. Mr. CASGRAIN: It can do no harm to leave it in. Let the Government know why the troops are sent.

Subsection 4 of new section 86 was agreed to.

On new section 87—officers and men shall have powers and duties of special constables:

Hon. Mr. GRIESBACH: I want to move an amendment to this section. It is a very important one. Subsection 2 of section 87 says:

> Every officer and man of the Active Militia, at all times and while so called out, shall obey the orders of his military superior officer.

I beg leave to move, as paragraph 3, the following:

> No proceeding, criminal or civil, shall be taken against any officer or man of the Active Militia by reason of any act or thing done or omitted to be done by him in good faith, in the discharge of his military duty and under the orders of his military superior officer.

By this clause you make special constables of your citizens, your friends and your neighbours. You require them, in the case of the non-permanent Militia, to obey the orders of their superior officers. It seems quite logical to provide that no civil or criminal proceedings shall be taken against a man who observes in good faith, in the discharge of his military duties, the orders of his military superior officer.

Hon. Sir JAMES LOUGHEED: I think it is in the Interpretation Act.

Hon. Mr. BEIQUE: It is implied.

Hon. Mr. GRIESBACH: It is not implied, because an action lies; and in the British Parliament they frequently bring in an Act of Indemnity.

Hon. Mr. BEIQUE: I do not think it is necessary, and I am afraid it is liable to cause trouble in other cases.

Hon. Mr. CASGRAIN: Is a soldier hung if he kills a man in the discharge of his duty?

Hon. Mr. GRIESBACH: I know the amendment is very closely connected with the discharge of duty. You may find in the use of the military in this country that you will be met with this situation, for instance. You may be confronted with an injunction restraining troops from discharging their duty? What are you going to do about that? Your soldier is between the devil and the deep sea: if he does not obey his superior officer, he will be disciplined, and if he does, he may be liable to civil or criminal proceedings.

Hon. Sir JAMES LOUGHEED: If this were necessary in this Act, would it not be necessary in the Militia Act?

Hon. Mr. GRIESBACH: This is the Militia Act that we are dealing with.

Hon. Sir JAMES LOUGHEED: The Militia Act has been on the Statute Book for years without any question of that kind arising to my knowledge.

Hon. Mr. GRIESBACH: Are you going to wait till the question arises? As a matter of fact, in the history of England there are many cases in which, after trouble of this sort, the Parliament of the country has had to come to the rescue of the military by passing a General Act of Indemnity.

Hon. Sir JAMES LOUGHEED: That would be when they acted beyond their authority.

Hon. Mr. GRIESBACH: If the House does not wish it, I will not press the question. In order to effect progress, I will withdraw the amendment.

The proposed amendment of Hon. Mr. Griesbach was withdrawn.

New section 87 was agreed to.

New section 88 was agreed to.

On new section 89—province to pay expenses and costs:

Hon. Mr. McCORMICK: This says: "All expenses and costs incurred." It should be changed.

New section 89 was agreed to.

New section 90, the preamble, and the title were agreed to.

The Bill was reported.

THIRD READING

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

Hon. Mr. TANNER: I move that the Bill be not now read a third time, but that it be read this day three months.

The amendment was negatived.

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

DEPARTMENT OF SOLDIERS CIVIL RE-ESTABLISHMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 264, an act to amend the Department of Soldiers Civil Re-establishment Act.

Hon. Sir JAMES LOUGHEED: It is simply to remedy an objection raised by the Auditor General.

Hon. Sir JAMES LOUGHEED.

Hon. Mr. DANDURAND: And the Department of Justice.

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. Gordon in the Chair.

On section 1—selection and employment of staff:

Hon. Mr. REID: This Bill exempts those to be employed from the Civil Service Act.

Hon. Mr. DANDURAND: Yes. They were exempted from the outset because the organization had to be a rapid one. The peak was reached when they had 10,000 employees in that Department. They reduced that number to 2,700, and the process of reduction is continuing.

Section 1 was agreed to.

Section 2, the preamble and the title were agreed to.

The Bill was reported.

THIRD READING

On motion of Hon. Mr. Dandurand, the bill was read the third time, and passed.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, July 18, 1924.

FIRST SITTING

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

CHINA CLAY-ST. REMI D'AMHERST BRANCH LINE BILL

NON-CONCURRENCE OF COMMONS IN SENATE AMENDMENT

The Hon. the SPEAKER presented a message from the House of Commons as follows:

Resolved, that a message be sent to the Senate to acquaint their Honours that this House, while agreeing to their first and second amendments to Bill No. 64, an Act respecting the Construction of a Canadian National Railway Line from the end of China Clay branch to St. Rémi d'Amherst, in the province of Quebec, disagrees to their third amendment for the

following reasons: That the reduction from $105,000 to $59,500 of the amount to be expended on the total mileage and from $52,500 to $29,750 per mile renders it impossible to proceed with this work, as the estimates in detail will show.

Hon. Mr DANDURAND: Honourable gentlemen, this message expresses the agreement of the House of Commons to two important amendments which were moved by the honourable gentleman from Grenville (Hon. Mr. Reid), but disagreement as to the amendment which was made to the schedule. The estimate contained in the schedule was for an expenditure of $52,500 per mile. That figure was reduced by the Senate to $29,750. The Minister of Railways obtained an estimate of construction from the engineers justifying an expenditure of $45,652 per mile. It was found that the figure of 2 miles stated in the estimate was erroneous, and that the railway would cover 2.3 miles. So, after consultation with the honourable gentleman from Grenville, it has been agreed to ask the Law Clerk to amend the schedule in order to allow $45,000 and some odd per mile instead of $52,500. We will suspend the further examination of this question until we have the report of the Law Clerk.

Further consideration of the message was postponed.

PENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 255, An Act to amend the Pension Act.

He said: Honourable gentlemen, this Bill, which reaches us at this late hour of the Session, is the result of the work of a Royal Commission presided over by Mr. Ralston. The Report of the Commission was reviewed by a special Committee of the House of Commons which sat during the greater part of the Session to hear all who had representations to make. After long deliberation, that Committee reported quite late in the Session, and the Minister of Soldiers' Civil Re-establishment simply took the report and embodied the recommendations contained in it in the Bill which is now before us.

The Bill was presented to the Commons for second reading this week, and was passed by that House the day before yesterday,—I think I may say without any vestige of deliberation, so far as I can learn from looking at the Commons Debates. That is to say, at the close of the Session this important legislation was accepted by the Commons as it came from the Committee.

The Bill is now before us, and I move the second reading, and I await with some trepidation the opinion of the House as to how we should deal with it.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, there have been very few subjects with regard to which the Senate has suffered more misrepresentation than on the question of pensions. Last Session a Bill was presented to us at an advanced stage of the Session, and no one can gainsay that the Senate gave it the most mature consideration. Yet apparently the result of our deliberations was not satisfactory. Notwithstanding the fact that our Committee sat for nearly a month considering the subject, I doubt whether the members of this House were satisfied with the judgment of the Committee.

Now there comes before us a Pension Bill of an equally important character, involving consideration of some of the most complex questions that can be entered upon—questions which, resolved into dollars and cents, mean a very substantial charge upon the Dominion. This Bill is entitled to the very best judgment and the most careful deliberation that the members of this Chamber can give it; but it is quite apparent that a Bill coming before us after prorogation has been announced by the Prime Minister cannot receive the consideration to which it is entitled.

If it were not for the fact that the bonus which has been paid to the beneficiaries of the Pension Act will lapse before next year, thus requiring action during the present Session, in all probability nothing might be done. That, however, being the case, it is necessary to take some action to extend the bonus for next year, provided we are then to give consideration to the Bill.

I would feel inclined to do more than that, honourable gentlemen; I would say that in the very short time at our disposal we should give consideration to this Bill. While we may not be able to give it the consideration that it would have received had we had sufficient time to go into it at length, yet it will not be open to anyone to say that we have ignored the duty which falls upon our shoulders, even though we detain Parliament for a greater period than otherwise it would be detained. I venture to say that if my honourable friend will consent, even at this late moment, to the appointment of a Committee composed of eight members, four to be named by my honourable friend and four by myself, it will be able to report to this Chamber at a reasonable hour during the afternoon. I am not going the length of

saying that the report will be accepted unanimously; but I venture to say that the House will accept the report, and that we shall be able to put through the Bill, even though it involves the rejection of certain sections. It cannot then be said that the Senate was remiss in its duty in dealing with this subject, even though prorogation may be delayed.

Such action would preclude the statement that the Senate was not prepared to give proper consideration to this very important measure, and, furthermore, it will have the advantage, if we should reject any of the principles of the Bill—principles which are entirely unique and new—of permitting the Government to introduce amendments next Session if it feels so disposed. It is desirable, I think, that legal sanction should be given to certain practices the Department has followed in administering this Act notwithstanding the absence of legal provision therefor.

If my honourable friend can see his way to accept this proposal, I will undertake to say that a report will be brought in this afternoon, so that the House may deal with it before evening.

Hon. Mr. DANDURAND: Honourable gentlemen, this is practically the last Bill with which we have to deal. I am agreeable to the suggestion of my honourable friend. We can take the second reading of the Bill now, and appoint a special Committee. I will name four members, and my honourable friend will name four, and then we can adjourn until 3 o'clock.

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

MOTION FOR SPECIAL COMMITTEE

Hon. Mr. DANDURAND: Will the honourable gentleman give me the names that he proposes?

Hon. Sir JAMES LOUGHEED: Hon. Messrs. Black, Macdonell, Sharpe and the mover.

Hon. Mr. DANDURAND: I move that the Committee be composed of Hon. Messieurs Black, Macdonell, Sharpe, Sir James Lougheed, Dandurand, Ross, Tessier and Pardee.

Hon. Mr. GRIESBACH: Honourable gentlemen, I will vote against this proposal because, in my judgment, there is sufficient evidence to warrant consideration of the Bill by the Committee of the Whole House. A wink is as good as a nod to a blind horse, and the opening remarks of the leader of the Government, supplemented by the observations of the leader of the Opposition, leave me in no doubt as to the intention of the Committee that has been so seriously proposed to report upon the Bill. In other words, I will state quite frankly that in my opinion this is an expedient to practically emasculate the Bill. For that reason I will oppose the motion and reserve to myself the right to continue to support those sections of the Bill of which I approve.

I am prepared to move to strike out certain clauses of this Bill; but I do think that this House, sitting in Committee of the Whole, could have disposed of those objectionable features, and at the same time have carried the main portion through to a final Act of Parliament. Therefore I will oppose the appointment of this Committee.

Hon. Mr. DANDURAND: I may state my views to the honourable gentleman. I will ask the Deputy Minister to appear before us, and will try to find out which clauses are so pressing as to necessitate legislation at this Session. If I carry the Committee with me, I intend to postpone such clauses as are not absolutely essential for the administration of the Act, or for the continuation of the bonus, upon which we are all agreed.

Hon. Mr. GILLIS: Honourable gentlemen, I think it is important that the honourable gentleman from Edmonton (Hon. Mr. Griesbach) should be on this Committee.

Hon. Mr. GRIESBACH: No.

Hon. Mr. GILLIS: I think he understands this question more thoroughly than any other member of the House, and as he has studied it carefully, I think his presence on the Committee would be of great assistance in this matter.

Hon. Mr. GRIESBACH: I thank the honourable gentleman for his suggestion; but, holding the views that I have recently expressed, I could not serve on the Committee. I shall certainly attend the sittings of the Committee, if they are public, and shall be on hand when the Bill is under discussion.

The motion to refer the Bill to the Special Committee was agreed to.

CANADIAN NATIONAL RAILWAYS ADMINISTRATION

MOTION FOR SPECIAL COMMITTEE WITHDRAWN

The Senate resumed from July 16 consideration of the proposed motion of Hon. Mr. Bennett:

That a Special Committee of the Senate be appointed to inquire into and to report from time to time upon:—

(a) The statements and charges in regard to administration of the Canadian Government Merchant Marine and Canadian National Railways, made by Honourable J. D. Taylor in this Chamber on May 8th of the present year.

(b) The acquisition of the property in Paris, France, known as the "Scribe Hotel," and all dealings, transactions and payments in relation to said property.

(c) The employment or engagement of one Aronivici by the said Canadian National Railways, the services performed by him, if any, and the commission, salary or other remuneration paid to him by or on behalf of the said Canadian National Railways.

(d) The system of the purchase of supplies for the use of or in connection with the said Canadian National Railway System.

(e) The deposit by and withdrawal of the Canadian National Railway Company of $1,000,000 of public funds in or about the month of May, 1923, with the Home Bank of Canada.

(f) Generally all questions, matters and things, which in the discretion of the Committee, arise out of or incidental to the foregoing matters, or which the Committee deem to be necessary to inquire into.

(g) That the said inquiry shall be subject to the condition that no matter of operation or of management taking place in the year 1924, inquiry into which would in the opinion of the Management of the said system be prejudicial to the property of the system or its proper operation, shall be made subject of investigation.

(h) That the said Committee be composed of the Honourable Messrs.

(i) That the said Committee be empowered to take evidence under oath and to send for persons, papers and records and to employ such clerical and other aid as the Committee deem necessary for the purpose of the inquiry.

Hon. JULES TESSIER: Honourable gentlemen, I do not intend to discuss this motion at length. When I moved the adjournment of the debate, in the early hours of the morning, I was under the emotion created by the very eloquent words of the honourable Senator for Simcoe (Hon. Mr. Bennett). The fact is, I never heard a more eloquent speech to defend such a bad cause. The speech was a very long one, and I had hoped to be able to read it in Hansard in order to answer it in a fitting manner. But it is really too late now, and I am sure the honourable member for Simcoe will not object to the postponement of this matter till next Session, so that we may have time to read his speeches over again and probably arrive at a wiser solution. It is too late now to appoint a Committee, and I trust the honourable member for Simcoe will assent to the postponement of his motion till next Session.

Hon. Mr. BENNETT: Honourable gentlemen, I regret the attitude taken by the Government on this matter throughout. When it first came up, in view of the urgency of the Railway Bills then before the House, I was indulgence itself. I had hoped that, in return for the consideration shown in refraining from pressing for an investigation then, the Government would have assented to my reasonable proposition in respect to the charges I preferred, namely, that witnesses be brought here from Montreal. However, the Government has seen fit to block all inquiry in this matter by having some honourable gentleman on the other side of the House come to the rescue on every occasion by intervening in the debate and thereby preventing a vote. In view of the determination of the Government to stop any inquiry this Session, I would not ask or advise honourable gentlemen on this side to continue the debate. It is now out of the question to have any inquiry into this matter. I will only express the fervent hope that between now and next Session there may be a general election, and I think that in that event there will be no inquiry needed regarding certain of these men whose transactions have been exposed. Let me assure you that if there is not an election and these Augean stables of the Canadian National Railways are not thoroughly cleaned out by next Session and if I am here then, as I hope to be, there will be an inquiry started at the very beginning of the Session, and I shall prove then, as I can prove, matters that will reflect much more on the officials of this Government then have any of the statements I have already made here.

I have not introduced any charges against minor officials. I discard them. Unlike an honourable gentleman, Mr. Bourassa, one of the Government's supporters in another place, I do not condescend to drag in some petty official. Among the thousands and thousands of employees of the National Railways of Canada there cannot but be some black sheep. I am not concerned with them. I shall hit in the right place—at the head officials. As the rain falls from above and soaks into the ground, so the conduct of the leading officials of the Canadian National influences the subordinate officials and permeates the system. I have, in writing and otherwise, the assurance of many of the lower officials of the Railways—not the group at headquarters in Montreal—that they would to-day welcome an inquiry. I repeat that among the Canadian National employees there are thousands and thousands of the finest men on the continent, and it does not need the blaring notes of the President of the road, transmitted through the radio, and paid for at extravagant rates by the people of Canada, to tell us about the morale of these men. When the President came he found these men honest, straightforward and true;

and it is a fact that he knows their confidence in him is being sapped and is diminishing. Therefore he is making these statements to the public.

I ask leave to drop the motion, but next Session the Government will hear more of it.

The motion was withdrawn.

YUKON QUARTZ MINING BILL

FIRST, SECOND AND THIRD READINGS

Bill 6, an Act respecting Quartz Mining in the Yukon Territory.—Hon. Mr. Dandurand.

CHINA CLAY-ST. REMI D'AMHERST BRANCH LINE BILL

MESSAGE TO HOUSE OF COMMONS

Hon. Mr. DANDURAND: Honourable gentlemen, I move:

That a Message be sent to the House of Commons to acquaint that House that the Senate doth no longer insist upon its third amendment to the Bill from the House of Commons No. 64, "An Act respecting the Construction of a Canadian National Railway Line from the end of the China Clay Branch to St. Rémi d'Amherst, in the Province of Quebec," and doth now propose the following amendment instead thereof:

In the Schedule

Under the Heading "Mileage including existing grading."
For "2" substitute "2.3."
Under the Heading "Average Expenditure per mile."
For "52,500.00" substitute "45,652.00."

The motion was agreed to.

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

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

PENSION BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. PARDEE: Honourable gentlemen, in presenting the report of the Special Committee to whom was referred Bill 255, from the Commons, entitled an Act to amend the Pension Act, I will give a very short synopsis of what has been done with the various clauses.

At pages 1 and 2, clause 2 is stricken out.

At page 3, lines 5 and 6, the words "Board composed of a" are struck out, and clause 5 is amended by striking out the two words "acting jointly" after "Federal Appeal Board" in line 8. It was thought that this would make the clause much more workable, and prevent some conflict that seems to arise in connection with it.

On page 3, line 18, strike out clause 6.

On page 3, line 33, for "shall" substitute the word "may," so as to leave it discretionary.

On page 4, lines 4 to 8, strike out from the word "condition" to the end of the new section. That is, the clause as amended will now be stricken out—the last four lines of it beginning with the word "provided."

On pages 4 and 5, the whole of clause 9 is stricken out.

On page 5, clause 10 is stricken out.

On pages 5 and 6, strike out all of clause 11.

On page 6, line 5, after the word "pensioner" insert the words, at the beginning of that clause:

Who was at the time of his death in receipt of a pension at the rate of 50 to 100 per cent.

On pages 6 and 7, strike out the whole of clause 14.

On page 7, strike out clause 15.

On page 7, strike out lines 33 to 43.

On page 8, strike out lines 1 to 3.

For subsection 3 of section 18, substitute the following:

The right of appeal shall be open for two years after the appointment of the Federal Appeal Board by the Governor in Council, or for one year after the decision complained of, whichever may be the later.

On page 9, strike out clause 19, which is the bonus section, and insert the following:

Section 6 of chapter of the Statutes of 1922 is hereby amended by adding after the figures "1923," in the fifth line thereof, the word and figures "and 1924."

On pages 9 and 10, strike out clause 20. Likewise, strike out the schedules.

Hon. Mr. CALDER: Both schedules or just one?

Hon. Mr. PARDEE: All the schedules. I move the adoption of the report.

Hon. Mr. GRIESBACH: Honourable gentlemen, I move that this report be not concurred in, but that the Bill be referred to the Committee of the Whole House.

Hon. Mr. McMEANS: Can we get some information from the Chairman of the Committee? Take clause 15, for instance. I understand there was a great difference of opinion about the right to appeal. That has been a bone of contention with the war veterans. They claim they cannot get an appeal from the Pension Commissioners. Is it the intention to strike out the right to appeal?

Hon. Mr. PARDEE: It gives them a further right to appeal.

Hon. Mr. McMEANS: The clause is struck out.

Hon. Sir JAMES LOUGHEED: But another clause is inserted.

Hon. Mr. PARDEE: Giving them two years instead of one.

Hon. Sir JAMES LOUGHEED: The appeal is ample.

Hon. Mr. GRIESBACH: It will be a shocking thing if, by the adoption of this report, this discussion is brought to a conclusion and the House is not given an opportunity to discuss the Bill. If that is the effect of adopting the report, I say that it is a shocking state of affairs, and that it would be most unwise.

What I desire is to have the House go into Committee of the Whole and discuss the Bill clause by clause. Then let us consider the report of this Committee on each clause. We may find ourselves in agreement on a number of the clauses; very well, let us pass them; but let us have some discussion on those clauses which the Committee proposes to strike out or to seriously alter. I do not think the members agree that, by the adoption of this report, we should put an end to all discussion.

Hon. Mr. SCHAFFNER: If I am in order, I would like to raise my protest as forcibly as I can. We are having a repetition of what happened last Session. Many of us—and the Senators from Manitoba will bear me out, I think—have had deputation after deputation of returned soldiers interviewing us in Winnipeg and here, and stating that they were not satisfied with the present Pension Act. Last year the Bill was brought in, as this one has been, in the last days of the Session.

Hon. Mr. DANDURAND: I think it came in a month before the closing, and went to a special Committee that sat for a number or days.

Hon. Mr. SCHAFFNER: I think I am correct when I say that it may have been before the Committee, but that it was not presented to the House until almost the very end of the Session.

Hon. Mr. GRIESBACH: One day.

Hon. Mr. SCHAFFNER: The same thing is occurring now. This Bill came yesterday, I think.

Hon. Mr. GRIESBACH: This morning.

Hon. Mr. SCHAFFNER: And we are asked this afternoon, at the very close of the Session, to consider the Bill and to give satisfaction to the soldiers and to the country. It cannot be done.

Hon. Mr. LAIRD: Honourable gentlemen, I think we should remember that this Bill has received the consideration of the House of Commons before coming to us. Apparently it is a very important piece of legislation affecting a great many people in this country. We have heard the report of the Committee which emasculates the whole Bill. It seems to me that it is a somewhat drastic undertaking to attempt to get the consent of this House to the emasculation of this Bill, thus rendering it of no effect, without any explanation whatever. It may be that the Committee is justified in its action, but to ask this House to practically wipe out the Bill without any explanation being given is an unheard-of proceeding. I think we are entitled to an explanation, and if we can get it only by going into Committee, I think that is what we ought to do.

Hon. Mr. BRADBURY: I appreciate what has been said by the honourable gentlemen who have preceded me, and I realize that it would be very unfair to allow the motion to carry without any explanation being given to members who are vitally interested in this question. I believe the amendments ought to be explained.

I protest, as the honourable gentleman from Boissevain (Hon. Mr. Schaffner) has done, against the bringing in of this Bill at the eleventh hour. Surely this House realizes that this Bill is of vital importance to thousands of men who have made great sacrifices. This House is anxious to do what is right by the returned men, I know, and it is unfortunate that this Bill should come down at this late hour. When you look at the many clauses of the Bill, you will realize that it is absolutely impossible to grasp the real meaning of them and of the amendments my honourable friend has presented to this House. We should have some explanation to enable us to arrive at something like a fair conclusion. We may agree to the amendments if we know what they are. I believe that the Bill was in such shape when it came to us that it should have been amended. The mere fact that the Bill comes to us endorsed by the House of Commons is no guarantee to this House that it ought to become law. We have had to amend so many Bills that have come from that House that in my judgment that is no justification for saying that the Bill ought to go through as it is.

Hon. Mr. PARDEE: I have no intention of not having the Bill considered in Com-

mittee if that it is the desire of the House. I was merely giving a short synopsis of the changes made in the Bill by the Committee.

Hon. Mr. LAIRD: That is all Greek to the House.

Hon. Mr. PARDEE: I have no objection to the Bill going to the Committee.

CONSIDERED IN COMMITTEE AND REPORTED

The amendment of Hon. Mr. Griesbach was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. McMeans in the Chair.

Section 1 was agreed to.

On section 2—improper conduct:

Hon. Mr. GRIESBACH: What is the amendment proposed?

Hon. Mr. McLENNAN: This is struck out.

Hon. Mr. GRIESBACH: This is an important clause. The meaning of it should be explained to the House by the honourable gentleman in charge of the Bill. Members who are not familiar with this legislation are entitled to know what it means.

Hon. Mr. PARDEE: This clause relates to pensions being granted on account of venereal disease. The question arose in the Committee, whether or not, after a man had served and had been discharged, and later on was called into service again—being in an absolutely sound condition the second time and the trouble returning—this man, having come back on service for a particular occasion, on the breaking out again of this venereal disease, should have the right to come to the Board of Pension Commissioners and ask for a pension. The Committee decided that he should not—that if the man was sound, the trouble was not by reason of service in the actual theatre of war.

Hon. Mr. GRIESBACH: My honourable friend has not quite grasped the meaning of this clause. This is to cover the case of a man who at some time in his life has had venereal disease. He enlists in the forces and is passed by the doctor as being in perfectly sound condition. Then, because of the hardships or the exertion involved in active service, the venereal disease returns. The practice of the Board of Pension Commissioners in the past has been to pension him for the percentage of disability which may be ascribed to an aggravation of the disease.

I find that people who discuss this clause are rather inclined to be carried away by the name of the complaint. If a man went skating, we will say, on thin ice in the fall of the year, and fell through the ice and contracted pneumonia and recovered from it, and then went on active service, and as a result of the hardships of service had a return of the pneumonia—I do not know whether that is possible—it would be agreed that because of the aggravation brought about by service he should be entitled to a pension. But, because the name of this disease and because it is assumed that exposure to it is a matter under the control of the individual, there is a super-moral objection on the part of some honourable gentlemen to consider the case. I submit that if a man who has had venereal disease is sound and fit and passes the doctor, and if, as a result of his exertions on service, he has a return of the complaint, he is entitled to consideration. In point of fact, he has received consideration.

Hon. Mr. PARDEE: It is discretionary with the Board now. This section of the Bill makes it obligatory.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen must remember that this Pension Act is applicable not only to those who served in the great war, but is to be applicable hereafter to members of the militia, no matter where they serve. If they serve in suppressing a riot—

Hon. Mr. GRIESBACH: Absolutely no. There is nothing which makes it applicable at all.

Hon. Sir JAMES LOUGHEED: This is the Militia Pension Bill, and according to the statement of the Chairman of the Pension Board, it is applicable in that way. I ask honourable gentlemen to keep that in view. At the present time, as the law stands, the Pension Commissioners are vested with discretionary authority to deal with this particular disease or disability. If we have a Pension Board upon which we can rely in such an important subject as pensions in all their features, surely we should give them power to exercise discretion in a case of this nature.

Hon. Mr. DANIEL: The discretion is taken away.

Hon. Sir JAMES LOUGHEED: No, they have full authority to deal with it.

Hon. Mr. DANIEL: Outside of this clause?

Hon. Sir JAMES LOUGHEED: I hope that the House will appreciate the services rendered

by the Committee at the eleventh hour in dealing with this Bill. There was only one alternative to dealing with it namely, to postpone it until next Session. It must be manifest to honourable gentlemen that if this Bill is not considered along the lines of the report of the Committee, there is very little probability of anything being done. Had there not been an anxiety shown this morning to give greater consideration to it than was given in another place, no alternative would have presented itself to this Chamber but to postpone it till next Session.

Hon. Mr. DANDURAND: I think I stated to the Senate this morning in sufficiently clear terms that I did not intend to press this Bill on the attention of the Senate at this late hour if the Senate thought that it should be deferred. If I had been met with the suggestion that we should pass simply an amendment extending the period of the bonus, which will lapse in the autumn, and defer consideration of the Bill till next Session, I was ready to answer in the affirmative. This was not because I had any mandate to do so. It is true, the Bill was introduced by the Minister, but, after four months' work done on it by the House of Commons and in the last hours of the Session, it is sent over to us. We are entitled to give a month's attention to the Bill if we so desire. I agreed to the suggestion that it should go to a Committee in order that we might examine it and see what clauses were imperative for the proper working of the Act. We went into Committee and we did more: we examined each and every clause, and, after hearing the expert testimony that we had, we decided to go so far and no farther this Session. I concur in the report of the Committee and will support it.

Hon. Mr. BRADBURY: If the explanation that has just been made by the honourable gentleman had been given in the first place, I believe there would have been no trouble. I agree with the honourable gentleman. I see the objection. This Bill ought to have longer consideration than we can possibly give it. At the same time, I am sure that this House does not feel like throwing out the Bill.

Hon. J. H. ROSS: Oh, no.

Hon. Mr. BRADBURY: After the information given by my honourable friend, I am willing, so far as I am concerned, to accept the amendments, with the understanding that we shall give them a trial and that if we do not like them we can next year ask for a change.

Hon. Sir JAMES LOUGHEED: It will be for the Government to introduce amendments next year.

Hon. Mr. LAIRD: Honourable gentlemen, I feel very much the same as my honourable friend from Selkirk (Hon. Mr. Bradbury) with regard to this matter. If some explanation had accompanied the report of the Committee I do not think I would have raised any objection to it; but, without any explanation at all, it was a little too much to expect us to emasculate a Bill that has received the serious attention of the House of Commons.

Hon. Mr. PARDEE: Honourable gentlemen have found fault with me for not making a fuller explanation. Allow me to say that it was hardly proper for me to take it upon myself to make the statements which have been made by the two honourable leaders in this House. I simply reported the Bill as Chairman of the Committee, and my duties ended there.

Section 2 was stricken out, as recommended.

On section 3—time within which application must be made:

Section 3 was agreed to.

Section 4 was agreed to.

On section 5—compassionate pension or allowance in specially meritorious cases:

Hon. Mr. PARDEE: Section 5 is amended. The word "Board," in the 5th line, and the words "composed of," in the 6th line, are stricken out.

The Hon. the CHAIRMAN: And the words "acting jointly," in line 8.

The amendments were agreed to, and section 5 as amended was agreed to.

On section 6—children of pensioner, classes 1-5:

The Hon. the CHAIRMAN: The recommendation of the Committee is that section 6 be struck out.

Hon. Mr. GRIESBACH: Honourable gentlemen, I think I should direct the attention of the House to the fact that section 6 and section 10 are related clauses and should be considered together. If one goes out, the other should go out.

Hon. Mr. PARDEE: They are both struck out.

Hon. Mr. GRIESBACH: I am not saying at all that both should go out. I am just drawing attention to the fact that they are related. Section 6 deals with the children, and section 10 deals with the widow. These refer to a provision in the Pension Act that if a man pensioned in any of the classes from 80 to 100 per cent dies within a period of

five years, his widow and children receive a pension. The reason for the existence of that clause in the Pension Act is this. A man who is pensioned from 80 to 100 per cent has a disability that practically incapacitates him. It may be that his arm or his leg has been taken off at the socket; or he may be in the advanced stage of tuberculosis, or have a serious disability of that description. The man is in some cases worse than dead, inasmuch as he is a source of care and trouble to his family. It was considered that a man with such a disability, coming back to his home, could do nothing to augment the family income, but must sit at home and depend on his pension, and that the state would be doing no more than simple justice to his family in providing by law that if such a man died within a certain period his wife and children should be pensioned as though he had died of the disability for which he was pensioned. As the law now stands, the period is five years. Let me repeat: if a man who is pensioned in any of the classes from 80 to 100 per cent dies within five years, of any disease whatever, his wife and family get a pension. The intention of the two clauses in this Bill which I am now discussing is to extend that period to ten years. The arguments which support a five-year period are equally strong in support of the ten-year period. The man with such a disability is of no use to his family and can do nothing for their support. He can make no provision for the future. He simply lives away his life in his own home. Therefore, it seems to me, if he dies after five years, but within ten years, his wife and children are in as much need of a pension as they were in the first, second, third, fourth or fifth year, for which the law now provides. Bear this in mind, that the children go off pension at the age of sixteen. I support these two clauses, and I ask that they be taken together.

Hon. Sir JAMES LOUGHEED: It might be pointed out that this deals with the case whether death was attributable to service or not. If death was not attributable to service, then a charge of this nature should not be imposed upon the country. The Committee summoned before them the Chairman of the Pension Board, and also the Deputy Minister of the Department of Soldiers' Civil Re-establishment. It only remains to be said that if the elimination of this proposed clause results in a grievance whether on the part of many or of a few, the Government can remedy it at any time, and I am sure that if cases are presented to Parliament which show that the law operates with hardship, Parliament will be only too ready to improve the Act. What we are doing to-day is not done for all time. Probably for some time a Bill somewhat similar to this one will frequently come before us. It is only through long years of experience that we shall arrive at a satisfactory adjustment of all these matters, upon which so much difference of opinion is expressed to-day.

I move the adoption of the Committee's recommendation.

Section 6 was stricken out, as recommended.

On section 7—time from which payment of pension for disability shall commence:

The Hon. the CHAIRMAN: Shall section 7 pass as amended?

Hon. Mr. GRIESBACH: What is the amendment?

The Hon. the CHAIRMAN: The word "shall," in line 33, is struck out and the word "may" substituted.

Hon. Mr. GRIESBACH: I agree to that.

The amendment was agreed to, and section 7 as amended was agreed to.

On section 8—annual allowance for maintenance of parents:

The Hon. the CHAIRMAN: Clause 8 is amended.

Hon. Mr. GRIESBACH: What is the nature of this amendment?

Hon. Mr. PARDEE: The amendment is that the last four lines are stricken out.

The Hon. the CHAIRMAN: All the words after the word "condition":

Provided also that the said benefits shall not be withheld or discontinued if by reason of circumstances beyond his control the pensioner is unable to continue his contribution towards the maintenance of his parent or parents.

Hon. Mr. DANDURAND: That is, the second proviso is struck out.

The amendment was agreed to, and section 8 as amended was agreed to.

On section 9—conditions under which pensions shall be paid to widows:

The Hon. the CHAIRMAN: Clause 9 is struck out altogether.

Hon. Mr. GRIESBACH: Honourable gentlemen, I am not prepared to argue for the whole of this clause, because I have grave doubt as to the working out of certain paragraphs; but I do desire to support clause i of paragraph b of subsection 1:

That a pension shall be paid when the marriage took place prior to a date one year after discharge of the member of the forces.

I support that because it covers the case of a man who at the time he went on service was engaged to be married, but postponed the marriage till his return. Had he decided to marry while on service he would have placed his wife on separation allowance, patriotic fund payments, etc., and would have laid upon the country the obligation to pension his wife in the event of his death. But it suited the arrangements of himself and his prospective wife that he should go to the war under an engagement and should not marry her till his return. We interest ourselves in the process of the civil re-establishment of the soldier. We have a Department for that purpose. Surely it will not be denied that the marriage of a man after discharge from the service is a part of his civil re-establishment; and if in the course of civilly re-establishing himself he intends to marry the woman to whom he was previously engaged, surely he should have at least a year in which to make his arrangements. I submit that if that man marries in accordance with the pre-war engagement, his wife ought to rank with those wives who sent their husbands to the war. The purpose of this clause is to allow one year for the soldier to have arranged his marriage. If you strike out this clause, the situation is that a woman gets no pension at all if she has married a man with a disability.

Hon. Mr. PARDEE: Honourable gentlemen, all I have to say in regard to that is that it was discussed in Committee. The old argument came up, as to whether or not a woman, knowing a man had a disability and marrying him, could profit by any pension. There may be something in what the honourable gentleman says, but we discussed that question and were not quite able to arrive at any definite means of putting his idea into effect. Speaking for myself, I sympathize with a man who was engaged, went to war, came back disabled, and carried out his marriage engagement. Nevertheless we must realize the fact that by allowing the clause to remain as it is in the Bill you are opening the door to men who had disabilities, whether trivial or serious, and who got married; you are simply taking upon yourself something that will result in a vast liability. For this reason the Committee thought it better to strike out the clause.

Hon. Sir JAMES LOUGHEED: There is a difficulty in dealing with such hypothetical cases as that mentioned by the honourable gentleman from Edmonton (Hon. Mr. Griesbach.) We had the advantage of his presence at the meeting of the Committee, and we invited him to give a free expression of his views upon the subject, which he did to the extent that appealed to his judgment. From what I know of this class of legislation and from my own experience in administering a department, I regard this as a dangerous type of legislation. The one-year provision is arbitrary, and there will soon be many cases which will require this period to be one year and six months, then two years, then three years, then four and so on. That is to say, if you fix a period of time, there will be some who are just outside the boundary, and application will be made to Parliament or to the Department for an extension of the time. The State in my judgment is not under an obligation to the wife who married after the discharge of the soldier.

Section 9 was stricken out, as recommended.

On section 10—when pensioned prior to disability:

The Hon. the CHAIRMAN: Section 10 is stricken out.

Hon. Mr. GRIESBACH: I do not agree to that; but if you have stricken out section 6, you have to strike out section 10, because they are related clauses.

The Hon. the CHAIRMAN: Section 6 has been stricken out.

Hon. Mr. GRIESBACH: Then necessarily section 10 goes with it.

Section 10 was stricken out, as recommended.

The Hon. the CHAIRMAN: Section 11 is struck out.

Hon. Mr. GRIESBACH: By virtue of what?

The Hon. the CHAIRMAN The Committee's report.

Hon. Mr. GRIESBACH: Well, we will discuss that a bit. I had agreed that this was a dangerous clause, but I would ask the Chairman of the Committee to explain the clause so that the members of the House may know what they are voting on. This is the clause which involves the expenditure of $616,000, altering the status?

Hon. Mr. PARDEE: Yes, altering the status of prospective dependent cases. The old Act read:

When a parent or person in the place of a parent who was not wholly or to a substantial extent maintained by the member of the forces at the time of

his death, subsequently falls into a dependent condition, such parent or person may be awarded a pension provided he or she is incapacitated by mental or physical infirmity from earning a livelihood, and provided also that in the opinion of the Commission such member of the forces would have wholly or to a substantial extent maintained such parent or person had he not died.

As I understand the present Bill, it means that a distinction is abolished between prospective dependency and dependency itself, and under this clause, whether there was a prospective or an actual dependency, there would in any event be a liability to pay that pension. I pointed out that the Pension Board at present have considerable trouble along these lines, and they say that were this to go further by the legislation proposed in this Bill it would mean an added expenditure of about $600,000 a year.

Hon. Mr. GRIESBACH: I think I am called upon to give a reason why I am prepared to support the Committee in regard to this clause; it is not quite the same reason as the honourable gentleman has given. Under the law as it now stands the widowed mother of a soldier is entitled to a pension of $60 a month, regardless of any income she may have. This clause proposes to take in prospective dependents, such as a woman who is the mother of a pensioned soldier, and who by reason of the death of her husband, or the failure of an estate, or some other event, may become a dependent mother some time in the future. She would be put in the same classification as a widowed mother under the Act.

At present, if the mother of a pensioner becomes a dependent she gets a pension; but because she is a dependent of that nature, who has come in subsequent to the pensioning of the individual, the pension which she receives is subject to several deductions. If she has a private income exceeding $240 a year, it is deducted to that extent. If she adds to her income by her own labours, that is also deducted.

It seems to me that the state, having regard to all the liabilities that we have with respect to pensioners, is fairly liberal in dealing with the prospective dependent, because it goes to the extent of seeing that she has a livelihood, by allowing her $60 a month, deducting therefrom her earnings and her income. Her livelihood, in thus secure, even though the state does not pay it all.

In view of our commitments and our obligations, it does seem to me that we go too far when we seek to bring in that class, and put them in the same class with widowed mothers as of the date of the pensioning, and enable them to draw the full pension without any deduction whatever. That is the purpose of this clause—to relieve those widowed mothers of the deductions which are applied to their pension. It is estimated to be done at a cost of $616,000 a year with the same amount next years plus an increase of $48,000, and so on for the next 7 or 8 years, when there will be a reduction caused by deaths.

In view of the work we have to do, and in view of the obligations which we have to live up to with respect to pensions, and of the fact that there are in my judgment, classes of cases still more deserving, I object to the dissipation of our funds on classes not as well entitled as other classes closer to our hand. For that reason I am prepared to agree that this clause be struck out.

Section 11 was stricken out, as recommended.

Section 12 was agreed to as amended.

Section 13 was agreed to.

On section 14—additional pension to dependents while residing in Canada of members of Allied forces domiciled and resident in Canada:

Hon. Mr. GRIESBACH: I think this section will require a little consideration. It provides that a supplementary pension paid on account of ex-Imperial officers resident in Canada prior to the war shall be payable to a mother whose husband is both physically helpless and in a dependent condition. The mother of a member of the Canadian forces is now pensionable on the above condition at the descretion of a board. It would seem reasonable that a supplementary pension paid to an ex-Imperial member should be paid as above. The cost would be infinitesimal.

Section 14 itself reads as follows:

14. Section forty-seven of the said Act as enacted by chapter sixty-two of the statutes of 1920 is repealed and the following section is substituted therefor:—

"47. When a person of the rank of Warrant Officer or of a higher rank in any of His Majesty's naval, military or air forces other than the naval, military or air forces of Canada or when a person in the naval military or air forces of one of His Majesty's Allies who was domiciled and resident in Canada at the beginning of the war has died during the war or thereafter as the result of a disability incurred during the war or demobilization and his widowed mother, mother whose husband is both physically helpless and in a dependent condition, widow or children have been awarded a smaller pension than they would have been entitled to under this Act in respect of his death, such widowed mother, mother whose husband is both physically helpless and in a dependent condition, widow or children shall be entitled, during the continuance of their residence in Canada, to such additional pension as will make the total of the two pensions received by them equal to the pension that would have been awarded if the person aforesaid had died in the military service of Canada."

This is a class of persons who, for several reasons, although domiciled in Canada prior to the war, were compelled by the force of circumstances to enter the Imperial service in the various branches. There are a number of cases of young men who left this country to join the air force, and other young men who left for the purpose of joining the navy. They were Canadians, and they are Canadians to-day. They served in those other forces, and they returned to Canada, and their position is somewhat awkward, because if they receive the Imperial pension in those various ranks it is less than that received by their friends and neighbours all about them, who had the good fortune to serve in the Canadian service. For the protection of those people I think this section ought to carry.

Hon. Sir JAMES LOUGHEED: We have a saying in the legal profession that a hard case makes bad law. We are dealing in this section with an isolated case, a special case, a case to which the attention of Parliament was directed a year or two ago, I believe, without any members of the Committee or even the Department or the Pension Board knowing the particulars of the case.

Now, this is not a case of very great hardship. Apparently it is the case of a man who served in the Imperial forces, and whose mother receives a pension from the Imperial government on account of his death. The mother happened to be residing in Canada. He happened, I believe, at the time of his going over to the Old Country, to reside in Canada. He joined the Imperial forces. His dependents are drawing the pension to which, under the British Act, he or they would be entitled. Now, it is invariably the case that when legislation makes provision for an isolated case, which this is, we do not know with what we shall be confronted hereafter, and the uncertainty that invests this class of legislation makes it very undesirable to put it on the Statute Book.

Hon. Mr. McLENNAN: This could scarcely be called an isolated case, because, as I understand this clause, it would apply to reservists—not only Imperial, but French and Belgian.

Hon. Sir JAMES LOUGHEED: Yes, those might invoke it hereafter.

Hon. Mr. McLENNAN: It says here:

Naval, military of air forces of one of His Majesty's Allies.

We sent a considerable number of French and Belgian reservists from Cape Breton, and this would also apply to them.

Section 14 was stricken out, as recommended.

On section 15—appeals from decisions of Board of Pension Commissioners:

Hon. Mr. BRADBURY: This is a clause about which there has been special discussion. A deputation came down from Manitoba claiming that there were many hardships on account of there being no appeal from the ruling of the Pension Commissioners. I am not prepared to say that the striking out of this clause is not right, but I would like to hear some good reasons why it should not remain. In Manitoba there seem to be cases of hardship. I do not know all the particulars, and the Commissioners may be quite right in their ruling, but the returned men in Manitoba feel that there should be some appeal from their decisions.

Hon. Mr. GRIESBACH: I propose to agree to the striking out of this clause, and I will give my reasons therefor. I know that on the part of ex-service men there is a general demand for an appeal upon all questions from the rulings of the Board of Pension Commissioners. At this moment there is an appeal from that Board to the Appeal Board on the question of entitlement only. On the question of rateability there is no appeal. As one who has had a god deal to do with applications to the Board of Pension Commissioners on behalf of ex-service men for pensions, increase of rates, and so on, I have shared to some extent the feeling that there ought to be some machinery to move a Pension Board to give more careful consideration, shall we say, or at all events to listen with greater interest, to what one has to say about an increase of rate.

Consequently I have been interested in the question of an appeal from the Board of Pension Commissioners to the Appeal Board on the question of rating, in addition to the question of entitlement which now exists. This section proposes to confer upon the pensioners the right of appeal in all cases from the Board of Pension Commissioners to the Board of Appeal; and I disapprove of the clause because I do not think it is workable, and it is not consistent with the rest of the law.

One or two examples will explain. A man's rateability is determined upon his disability, and the condition of his health, and it is a matter of common knowledge that a man's condition of health fluctuates, goes up and goes down, and as his illness grows better his pension grows less; as his illness gets worse his pension goes higher.

Now, if there is an appeal on the question of rateability, in case a man is rated by the Board of Pension Commissioners at 20 per cent, and under this clause he appeals against that rate to the Board of Appeal, and that Board agrees to raise his rateability to 40 per cent, and in the meantime his illness gets worse, the local officers of the Board in Vancouver might themselves recommend an increase of rate to 50 per cent. The situation would then be that he had been given 20 per cent by the Board of Pension Commissioners; he had appealed and secured a verdict of 40 per cent from the Court of Appeal; and the Board of Pension Commissioners, through their ordinary machinery, had increased the rate to 50 per cent. I mean, there is no finality; there cannot be. If an ex-service man is entitled to expect an increase of pension when his health is bad, he must have a decrease of pension when he gets better, and the intervention of a Board of Appeal which would seek to make a disability pension permanent is out of the question.

I have looked into this matter to some extent, and I find that of all the countries of the world, as far as I can learn, here is only one in which there is an appeal on rateability: that is England, and there it is allowed only when the disability is permanent, definite and fixed. Then there can be an appeal which is also definite.

But in a case such as we have here, where the man comes up for examination every six months and his pension rate is readjusted, if the Court of Appeal is to give final decision, you put an end to readjustments—adjustments up or adjustments down. Therefore I say that this clause is unworkable, and those who proposed it have forgotten what the rest of the law means, or is intended to do.

Section 15 was stricken out, as recommended.

On section 16—time allowed for appeals:

The Hon. the CHAIRMAN: This clause is amended by striking out subsection 3 and putting in place thereof the words:

The right of appeal shall be open for two years after the appointment of the Federal Appeal Board by the Governor in Council, or for one year after the decision complained of, whichever may be the later.

Section 16, as amended, was agreed to.

Section 17 was agreed to.

On section 18—final payment in cases of disability between 5 and 14 and 10 and 14 per cent:

The Hon. the CHAIRMAN: This is to be stricken out.

Hon. Mr. GRIESBACH.

Hon. Mr. GRIESBACH: I understand the law as it stands is fairly satisfactory. There are some good elements in that, but it would not do a great deal of harm to let it go out.

Section 18 was stricken out, as recommended.

On section 19—new schedule:

The Hon. the CHAIRMAN: There is an amendment to this.

Hon. Mr. DANDURAND: Honourable gentleman, I was not present when the last two or three clausese were discussed by the Special Committee, and I submit to the members of that Committee, to the Senate, and to this Committee of the Whole the advisability of saying 1925 instead of 1924. This is carrying for another year the bonus which expires this autumn, viz., from 1924 to 1925. I have the impression that no change, or hardly any, will justify the alteration of the policy within one year, and I suggest that in order not to come back to Parliament, we should make it 1925.

The Hon. the CHAIRMAN: The figure 1924 is changed to 1925.

Section 19, as amended, was agreed to.

Section 20, as amended, was agreed to.

The schedules, as amended, were agreed to.

The title and the preamble were agreed to.

The Bill was reported, as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

THE MONTREAL TERMINALS

Hon. Mr. DANDURAND: Honourable gentlemen, I was asked yesterday, I think by the honourable member for Inkerman (Hon. Smeaton White), whether the Canadian National Railway Board was considering the problems which arise in reference to the settlement of the terminals at Montreal. Those of us who pass through Montreal or who reside there recognize that there is a condition which needs to be remedied. I am informed by the Railway Department and by the Vice-President of the Railway Board that these problems are being studied with a view of bettering conditions and eliminating, if possible, some of the stations. This matter will naturally have to be studied jointly with the city authorities. All the plans—because there is more than one plan—will have to be discussed. There are to-day three schemes for the organization of proper terminals for the Canadian National Railways. There was a time when the Canadian National railway situation was a simple one. A tunnel has

been bored under the mountain to the heart of the city; but now that we have the Grand Trunk railway merged into the Canadian National system the question of the terminals of the Grand Trunk railway will have to be studied jointly with that of the Canadian Northern or the Canadian National railways. I hope that the city authorities and the Canadian National Railways will soon be able to come together and present a scheme that will be as generally satisfactory as the one that has been determined upon for the city of Toronto.

TRIBUTES TO HON. SENATOR DANDURAND

Hon. J. D. REID: Honourable gentlemen, I understand that all the Bills that have been sent from the House of Commons up to the present time have now been dealt with, and that there is likely to be only one more Bill presented to this House. Therefore the work of the Session is ended, and I would like to say just a word or two with reference to the work of the Senate.

During this Session some very important legislation has been passed by Parliament, and this Chamber in dealing with it has in my judgment done its duty well and without fear or favour. In carrying legislation through this House a great deal of work devolves upon the leader of the Government. He has had a great deal of work during the present Session—almost more than any one man should have—and I wish to say that he has performed his duty in a very courteous, pleasant, faithful, and kindly manner.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. REID: His work is much more difficult by reason of the fact that he has to take charge of legislation affecting every department of the Government. He is a member of the Government without portfolio, and in that respect is in a much more difficult position than many who have occupied the position of leader before him. A member of the Government with portfolio is more or less in touch with every Department; and so far as that is concerned I believe that the Senate is entitled to a member of the Government with portfolio—and I hope that before we meet here again the Government will see its way clear to do justice to the honourable gentleman by placing him in possession of a portfolio, thus enabling him to carry on his work with greater ease than at present.

Although at times perhaps it was difficult for him to control himself when some of us were perhaps endeavouring to make things uncomfortable for him, I repeat—and in doing so I believe I express the feeling of every member on this side of the House—that no man could have performed his duties in a more courteous manner than the leader of the Government has done.

I feel that during the recess every member, on this side of the House at least, should take every opportunity of considering the possibility of lightening the work of the leader of the Government next Session. I have been giving this matter consideration for some little time, and I am going to tell you what I think could be done. Until I came to this House I never realized that the leader of the Government here had such a tremendous task, and when I look at Sir James Lougheed and see how well he looks and how he has retained his health, I wonder how he accomplished it.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. REID: He is hale and hearty, and looks as though he would be able to occupy the position of leader for many years to come if the opportunity arises. For some time I have been considering the means of lightening the burden of the leader of the Government, and my suggestion is—and if anybody has anything better to offer after considering the matter, we will listen to him upon our return—that we should work to obtain a majority in the general election that is going to take place during the recess, and that Sir James Lougheed should take the position.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: That is very unkind to Sir James Lougheed.

Hon. Mr. REID: I want to make it as easy as possible for the honourable gentleman next Session. But, speaking seriously, I may say that every word that I have said about the leader of the Government has come from the bottom of my heart.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, as we say in the Committee, "deleting" everything my honourable friend from Grenville (Hon. Mr. Reid) has said with reference to myself, I fully concur in the very pleasing and fitting expressions that he has uttered with reference to my honourable friend the leader of the House.

Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: In view of the very energetic and enthusiastic way in which the honourable member from Grenville has directed so many of his efforts this

Session towards the other side of the House, it is peculiarly fitting that this very pleasant task should have fallen to that honourable gentleman. I hope the leader of the Government will not regard them as personal attacks upon any honourable gentleman on that side of the House, but rather as attacks directed against some of the measures introduced by the Government of the day.

Allow me to say that no one has appreciated more than I have the courtesy and attention which we have met at the hands of the leader of the Government during this Session.

Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: We could not have expected more from our closest friends; in fact, we can place the honourable gentleman who leads the House so well upon our list of closest friends.

Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: For the many years we have been together in this House, my association with him has grown as time flew on, and I hope that he may be spared many long years to occupy a seat in this House, particularly to the left of the Speaker.

Hon. Mr. DANDURAND: Honourable gentlemen, I am deeply moved by the words of commendation which have fallen from the lips of the honourable member for Grenville (Hon. Mr. Reid) and my honourable friend who leads the Conservative party in this Chamber (Hon. Sir James Lougheed). If I had set for myself a high standard—hitched my wagon to a star—I would have had no other thought than that of following at a distance in the footsteps of my predecessor who was for more than ten years in the position which I now occupy. He too has had his trying times, and I do not recall having once seen him lose his temper, and he left the seat which I now have the honour to occupy the most popular member of the Senate of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: I have on more than one occasion expressed my view of the functions of the Senate. If there be disadvantages at not having previously sat in the Commons, I sometimes feel thankful for having had no such experience because of the strenuous struggles which are carried on there. I have not imbibed the spirit of aggressiveness which is peculiar to the popular House. I came direct from my profession to this Chamber, and I realise that nine-tenths of the questions that come before us are devoid of any party interest, and can be considered entirely apart from such an interest. I have been here now for over a quarter of a century, feeling day by day that our duty is that of a revising body; and very many times during those twenty-five years I have seen the leaders of both sides co-operating in a fraternal way, without any party bias or party considerations, endeavouring to devise means for improving legislation.

My honourable friend from Grenville has asked what should be done to lighten the burden which falls on the shoulders of the leader of the Government in this Chamber. I have had an idea—I do not know whether we shall ever reach it: it is not that this Chamber should be given Ministers with portfolios, but that it should do without Ministers either with or without portfolios. My idea has been that if this Chamber remained a revising body, without any official representative of the Government, the work coming from the various Departments could be distributed among members of the Chamber according to selections made by the Ministers themselves; and that there should be a Floor Managing Committee to see that the work was carried on; and that progressively —as the Government would not be here the Opposition would not be here either—we would in a higher spirit and on a higher plane examine matters exclusively from the point of view of the general interest, and not be affected, as we sometimes are—and quite naturally so—by our party inclinations. This is my idea of a Canadian Senate; but I have found that the Government thought that it should continue in the old beaten track, and that there should be here an "officier de liason" between itself and the Senate. I have performed my duty of bringing to this Chamber direct information somewhat impatiently under my official limitations, and without that freedom of action enjoyed by every other member of the Senate. This may have been at times apparent to my fellow members. As in the case of the Bill just disposed of, I have often forgotten that, by tradition, I had the mandate of defending a measure confided to my care in order to aid you in improving it.

When we come back here next year, if Providence retains me on this side of the Styx, I shall still be, I fear, in this place; for I doubt that the Government will think of going to the people before it has reached

the end of its mandate. But whether I am here or not, I am quite certain that the honourable members of the Senate will continue. as in the past, to perform their duties faithfully and well.

CANADIAN NATIONAL RAILWAYS IN PRINCE EDWARD ISLAND

STATEMENT

Hon. Mr. DANDURAND: One of the honourable members from Prince Edward Island asked me if I could not give him a ray of hope that the work started on the railway in Prince Edward Island would be continued. Here is a letter which I have received from Mr. Ruel, one of the Vice-Presidents of the Canadian National Railways:

Re broad gauging in P.E.I.

With reference to your request for information as to the proposals of the Canadian National Railways with regard to broad gauging of lines in Prince Edward Island, I find on inquiry from the operating department that preliminary estimates for widening the gauge on the subdivisions east of Charlottetown are as follows:—

Souris Subdivision, 56 miles..	$346,500 00
Elmire Subdivision, 9.89 miles..	55,000 00
Georgetown Subdivision, 24.2 miles..	145,500 00
Montague Subdivision, 6.33 miles.. ..	57,000 00
Murray Harbour and Vernon Subdivisions, 52.25 miles..	904,000 00

The operating department pointed out that these improvements could hardly be justified from a purely Railway standpoint but beyond doubt would be of material advantage to the people served, and therefore in their opinion it was entirely a question of Government policy in regard to the development of facilities in the Province concerned.

In the present year, since capital expenditures were very strictly curtailed, the suggestion of the operating department was that a small item, chargeable to capital, should be provided in the supplementary estimates for bridge strengthening or replacement, widening of banks, etc., so that the work would be completed by the end of 1925 and the gauge widening proceed in 1926, if as a matter of Government policy it was then decided to proceed with such work.

Ballasting.—With regard to ballasting between Summerside and Tignish, the operating department advises me that no capital appropriations were made on this account, for reasons similar to those given above in respect of broad gauging.

Truly yours,

The Senate adjourned during pleasure.

After some time the sitting was resumed.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Saturday, July 19, 1924.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and proceedings.

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary, announcing that His Excellency would proceed to the Senate Chamber at 3 p.m. this day, for the purpose of proroguing the present Session of Parliament.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT

A message was brought up from the House Commons stating that that House had agreed to the amendment made by the Senate on July 17 in the proposed resolution of the Senate and the House of Commons with reference to a proposed amendment to section 91 of the British North America Act.

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons by one of the Clerks at the Table to acquaint that House that the Senate hath filled in the blank space in the said resolution with the words "Senate and."

The motion was agreed to.

APPROPRIATION BILL No. 3

FIRST READING

Bill 266, an Act for granting to His Majesty certain sums of money for the Public Service for the year ending March, 31, 1925.—Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen, this is a Bill which, by the terms of our Constitution, is largely under the control of the direct representatives of the people. Yet the Senate of Canada expresses its views upon the Budget generally, and this perhaps is a time when we may say a word about the expenditure of the country.

The expenditure may be divided into many classes, but the main divisions are controllable expenditure and uncontrollable expenditure. In the latter division, which unfortunately represents much more than half the total amount, we have nothing to criticise. It represents the accumulation of the borrowings of the country and the obligations assumed.

The controllable expenditure is made up of the expenses incurred in carrying on the administration and management of the immense establishment that is under the control of the Government,—ports, rivers, canals,—and perhaps I should include our railway system. Whatever may be the total of the

charges that we have to face, or whatever may be our desire to reduce the expenditure, we must, if we are prudent administrators, see that works which were constructed for a purpose and which are still important to the welfare of the Dominion, shall be properly maintained. For this reason there will always be a large expenditure on account of maintenance.

A large part of the controllable expenditure consists of the salaries of the Civil Service. We have just passed a resolution declaring our belief that most of the Departments are overmanned. As I have not the responsibility of administering a Department,—and I hope Providence will to the last day of my life exempt me from that responsibility—I am not able to follow fully the work of those Departments. We have among us, however, honourable gentlemen who have been heads of Departments who seem to be united with us in the conviction that the Departments are overmanned. They stand as witnesses for those of us who have not come in direct contact with those Departments.

There is one matter to which I desire to draw the attention of the Deputy Heads of the various Departments in Ottawa. We have placed on the Statute Book a Superannuation Act which will be assented to this afternoon. The argument for that Act, which will involve quite a heavy outlay, was that it would permit of the retirement from the Service of quite a number of men who had passed the age when their usefulness was recognized. We are told that hundreds of men will take advantage of that Act and ask to be relieved of their duties. I believe that we should send out a warning to the Deputy Ministers that we expect them to seize the opportunity offered them of reducing the personnel of their Departments by a number equal to the number of retirements under the Act referred to. I know there will be a temptation to promote those who occupy lower positions on the ladder, many of whom have reached the top of their class. Many are giving but 50 per cent of the effective work that they gave when they were in their prime, so that most of the work is done by subordinate officials. When a position is vacated should not the Deputy head of the Department see that it is united with the position next below, in that way abolishing that of the person leaving? I believe that this is the time for the Deputy Ministers to overhaul their Departments and to reduce expenditure. In the report of our Committee we have asked the Civil Service Commission to look into the possibility of not replacing officials who go out under the Superannuation Act. Deputy Ministers have admitted to us that when a man is brought into the Service he comes in with the conviction that he is appointed for life. Well, if the appointment of a new Civil Servant or the creation of a new office is such a fatal step, it is opportune and imperative that the Deputy Ministers examine into their Departments before making any appointments.

Some Deputy Minister may say: "It is necessary to replace some of those who go." That being the case, should there not be some central body, such as the Civil Service Commission, to see that the vacancies are filled by transfers from Departments which are overmanned? The time has come when the Civil Service should return to the normal condition which prevailed prior to the war, and when the Deputy Ministers should be asked by Parliament to cooperate in bringing about that condition. I warn the Deputy Ministers that the Senate of Canada will each Session ask what vacancies have occured during the preceding year, and will inquire into the necessity of those vacancies being filled. We should have a Committee such as there is in Great Britain to watch over the manning of the Departments, and I believe that I express the feeling of the Senate when I say that this House should undertake that task when there is no other organisation to perform it.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I have to congratulate my honourable friend upon the sentiment not only entertained but expressed by him, with reference to the necessity for retrenchment at this particular time. My honourable friend is only one in a Cabinet of many, and, so far as I am able to observe, is the only one who entertains such sentiments as those to which he has given expression.

I hesitate to voice my protest against the expenditures which are being made and the extravagances upon which we have entered, for the simple reason that it is but a voice crying in the wilderness. It is futile to raise any protest against the policy of lavish expenditure upon which Canada has entered, and in which it seems to be indulging with the greatest enthusiasm. There seems to be an utter absence of all sense of responsibility on the part of the Government so far as economy and retrenchment are concerned. We find that all our Allies with whom we were associated in the war have entered upon a very strict policy of cutting down their expenditures. The British Government has reduced its expenditures to a degree that one can scarcely realize; the United States has

reduced its expenditure by billions of dollars; France has reduced her expenditure beyond all expectations; and the same may be said of Belgium and of the other overseas Dominions. I say with confidence that not one of the countries with which we were associated in the last war has failed to carry out a most pronounced policy of retrenchment. In Canada, however, the idea has apparently never presented itself to the public mind that retrenchment in expenditure is necessary. We have thrown the doors open, the bars are down, the lid of the chest is open, and an invitation is extended to every spending Department of the country to make whatever raid upon the public treasury it may see fit. I have not observed either this Session or last the slightest inclination on the part of the Government to curb expenditure. It has not seemed to be conscious of the fact that our expenditure is advancing by leaps and bounds, and that taxation is mounting to such an extent that industry is crippled and development has practically ceased. We find the greatest apprehension expressed by the large interests not only in regard to entering upon the extension of enterprises which they at present represent, but even as to their continuance.

Honourable gentlemen, we do not feel at the moment the consequences that must necessarily ensue from the present situation of affairs in Canada, and that at a very early date. Apparently the Government of the day is only reflecting that widespread impression which we find in all quarters, that we can go on expanding our public obligations day after day, week after week, month after month without danger. The Government of the day should be the leader in the movement of retrenchment and economy, but they are not giving the lead in that direction. In this matter of gross extravagance I do not acquit those representing the large interests of Canada, for while they may not be participating in such extravagance themselves, they are not making their protest as they should. If the large interests in this Dominion sit idly by, simply bowing their necks to the yoke, and accept without protest the burdens placed upon their shoulders by the Government of the day, they are equally responsible with the Government that imposes those burdens, if not more so.

The highest patriotic duty that Canadians can render to their country to-day is to realize the danger which faces us. Our taxation is heavier than that of any other country, so far as I can ascertain. There has been a reduction of taxation in Great Britain; there has been a great reduction of taxation in the United States, where the income tax reduction represents something like 25 per cent. Our taxation to-day is greater than it has ever been.

Is it possible for us to develop the magnificent resources within the boundaries of this great country of which we are the possessors unless we sit down and seriously consider how this can be done, how the expenditure can be cut down, how taxation can be reduced, and how we can extend an invitation to the countries of the world to invest their capital in Canada? Is there any inducement to-day to foreign capital to come into Canada? Is there any inducement to domestic capital? To-day even our domestic capital is lying idle, and capitalists absolutely refuse to invest in the industries or the public interests of this country. No higher patriotism could be exhibited by the people of Canada than by opening their eyes to the present condition of public affairs, particularly touching financial expenditures, which are proving such a menace to our future development.

It would be idle, honourable gentlemen, for me to go into an analysis of the financial Bills which have been presented to us, involving very large expenditures to which we have given exceptional attention during the present Session. In connection therewith I wish to voice a protest against the policy of having to confront those Bills from Session to Session without the Government of the day or the House of Commons having given proper consideration to them. There must be an impression there that the buck can be passed to the Senate. The consequence is that we are subjected to offensive and unjustifiable criticism in the country. Let me illustrate. The Pension Bill was presented by the Government for consideration after prorogation had been announced, not to this Chamber, but to another. It received about an hour's consideration by that Chamber, and was then sent to this House, and we were asked to assume the responsability of dealing with it, practically while the Governor was waiting to prorogue Parliament. This practice throws an onus upon the Senate which we should not be called upon to assume.

I simply mention this by way of illustration; but the same remarks apply to the Branch Lines Railway Bill of last Session—not Bills, but one Bill, which was submitted in the dying hours of the Session, after prorogation had practically been announced. The Senate was subjected to hostile criticism in the country for rejecting the Bill at that time, the country, not knowing any of the circumstances or conditions surrounding that Bill. The same measure comes down during the present Ses-

sion practically without the Government of the day having assumed any responsibility for it. It is sent by the National Railways to the Government, apparently, and the Government simply puts it through the routine or automatic process of the procedure of the House, and it comes down to this Chamber. Unless the Government of the day will act as a brake upon public expenditure, what can we expect? I say that Canada does not possess that advantage today.

I make this protest very reluctantly. It is not a pleasant thing for a public man to have to stand in his place and protest against a policy of this character, and thus attack the Government of the country, which should be part and parcel of its development, and should be so identified with all its great interests that we should be as proud of the Government of the day as we are of the country in which we live. Unfortunately, that is not the case today; hence there is a duty upon every public man to voice his protest, even though, as I said before, it is a voice crying in the wilderness, and unproductive of results.

Honourable gentlemen, I simply mention these matters, in the hope of my remarks attracting attention. They may not be productive of very much effect, but I am satisfied that if the public men of this Dominion joined in entering their protest throughout the length and breadth of Canada, we would have a different condition of affairs.

I again congratulate my honourable friend the leader of the Government on the deep interest he has taken in the many important subjects which have been submitted to this House for its consideration since the Session opened. We have found on his part not only a willingness, but a decided effort, to give the most mature consideration to the discussions, and also, I believe, to secure the adoption of a policy which would lead to substantial retrenchment. As I have said, however, my honourable friend is only one among many, and the efforts of a single individual will scarcely be reflected in the policy upon which the Government has entered.

May I conclude by saying that it is the duty of every public man to give attention to these questions— to voice his protest, to express in the strongest possible way the views which he may entertain as to the development of our resources and as to the progress of our country. No higher patriotism can be shown by any public man than by giving the closest attention to these subjects of national interest for the benefit of the country which he represents.

Hon. Sir JAMES LOUGHEED.

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to bring a ray of hope to the Senate after the very dark picture painted by my honourable friend. I think that, slow though the movement towards reduction in expenditure hase been, reductions are being made gradually and systematically. I find that the peak of our disbursements was the budget of 1919-20, when my honourable friend shared the responsibility, and when it reached a total figure of $785,869,611. In the following year, 1920-21, it was cut down to $528,283,199. In 1921-22 there was a still further reduction to $463,652,436. In 1922-23 we had another reduction from that figure to $434,452,340; and I believe, though I have not had time to make the additions, that there is a still larger reduction this year than there was last year. So that we are gradually moving towards a compression of our expenditure.

We had quite a bountiful return from our general scheme of taxation last year, which brought us a large surplus in our general operations if we leave aside the railway deficit. Our hopes are centered upon the progress which our railway system will make towards equilibrium; and if, as I believe, our immigration policy brings about the movement of that splendid procession which we had before the war, of 250,000, 300,000, up to 400,0000 immigrants towards our western plains, I feel that we should not be discouraged, and that with an increased population of a quarter of a million a year, which we can absorb and take care of, the country will proceed on its way to prosperity. This is my hope.

From year to year we have seen that things were improving; but we must all put our shoulders to the wheel; and in spite of my honourable friend's belief that the raising of our voices here may be but a cry in the wilderness, I believe that if we show by our activities each Session that we intend to turn the X-rays on the expenditures of the various Departments and on every branch of the Civil Service, we shall have done our duty towards improving conditions in Canada.

Hon. Mr. ROBERTSON: May I refer very briefly to one observation which my honourable friend has made with reference to the expenditure of the preceding Government in 1919-20? Honourable gentlemen will recall that that was the year immediately following the end of the Great War.

Hon. Mr. DANDURAND: I have not gone into explantions, but I did not mean to mention that increase in the way of criticism.

Hon. Mr. ROBERTSON: In that year probably the greatest expenditure of all the years

fell upon the Government of Canada, in connection with the return of its army to Canada and the large gratuity which was granted to its soldiers. There was also a very substantial number of outstanding accounts that had accumulated during preceding years, which had to be cleared up in that period. In that connection I might refer also to the fact that last year a very substantial amount, being a balance due to Canada by Britain in connection with the adjustment of our accounts, was taken as a credit to the Government last year, whereas it was an old account which really belonged to a former Administration.

My honourable friend referred to the desirability of immigration to the extent of a quarter of a million people per year. I heartily concur in the suggestion that we need more people in Canada; but I submit that the policy that is being pursued by the present Government is causing our industries to cease and no new ones to be established.

Hon. Mr. DANDURAND: There is a big one being established in Cornwall.

Hon. Mr. ROBERTSON: The large exodus of our industrial population does not accord with an immigration policy such as my honourable friend suggests as being of advantage to the country. One cannot view with any satisfaction the prospects for the immediate future. Our industrial activities have been so curtailed as to affect seriously the revenues of our transportation companies. With falling national revenue, and a largely decreased population due to industrial stagnation, our transportation companies are finding themselves increasingly embarrassed, and with the prospects of a lighter crop than we had last year I have serious apprehension as to what the results of the operation of the Canadian National Railways may be a year hence.

I sincerely join in the observation made by the leader on this side of the House that these matters of such serious importance should receive the best possible consideration by the business interests of this country, whose voice should be raised in protest against a continuation of excessive expenditures at this time.

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.

PENSION BILL

THE SENATE INSISTS UPON ITS AMENDMENTS

The Senate proceeded to consider the following Message from the House of Commons:

Resolved, That a Message be sent to the Senate to acquaint theirs Honours that this House disagrees with their amendments to clauses 2, 6, 9 sub-section (1a), (1b), (1b) (i), 10, 15 and 16 of Bill No. 255, An Act to amend "The Pensions' Act", for the following reason:

These clauses are the result of recommendations made by the Royal Commission on Pension, Insurance and Re-establishment, as submitted to the House of Commons during the present session.

To clause 19 of the said Bill for the following reason:

It is considered that permanency in rate of pension is indispensable to the welfare of pensioners generally.

Hon. Sir JAMES LOUGHEED: I notice, honourable gentlemen, that the reason why we are called upon to recede from the position taken by this House upon the Pension Bill is that the Royal Commission on Pensions has recommended the Bill as presented to the House. Apparently for that reason it was accepted in another place. I should like to know, honourable gentlemen, when the Parliamentary institutions of this country arrived at the stage at which they must abdicate their functions in favour of a Royal Commission. Are we here to exercise our own discretion and judgment in legislating, or are we here to bow our necks to every Commission that may be appointed by the Government? They may dignify this Commission by calling it a Royal Commission. It is no more a Royal Commission than any other Commission that has been appointed and is composed of friends of the Government. Has this Senate reached such a position that it is to be told by the Government of the day that because a Commission has recommended a certain thing we must swallow it—that we must abandon not merely our right but our duty to give consideration to whatever recommendations may be made or whatever Bill is submitted to this House?

May I repeat what was said yesterday, that if the Senate had not taken the matter in hand and appointed a Committee to consider the Bill in all its details and referred the Bill to that Committee, it would not have been considered at all; because, as my honourable friend the leader of the Government very properly pointed out when the Bill was submitted to us, it would be impossible to consider it in the closing hours of the Session, when prorogation was in the offing, and the only thing to do would be to renew the bonus for another year.

This is one of the measures regarding which the Senate should protest most strongly. It reveals a policy which has been followed for a considerable time by the Government of holding back till the dying hours of the Session and introducing into the Senate at the eleventh hour the most important measures of the Session. Why, honourable gentlemen, we may

as well abandon the performance of our duties if we are to yield to this sort of policy and to the reasons which are stated for our abdicating our functions as a deliberative body. This body is co-ordinate with the House of Commons. It has the same rights, it has the same duties, and its responsibilities are quite as great as those of the House of Commons; and to be told that because a Commission has reported upon this measure we must accept it, is one of the most humiliating statements ever made to this Senate by the responsible Government. I therefore move:

That a message be sent to the House of Commons to inform that honourable House that the Senate doth insist on its amendments to Bill 255, intituled An Act to amend the Pensions Act, to which the House of Commons has disagreed.

Hon. Mr. TANNER: Honourable gentlemen, it is no secret, as far as my recollection goes, that last year, when this Royal Commission, which has been peddling the business along over a most inordinate period, made a report, the Government was not willing to accept the recommendations of the Commission and was overjoyed when this Chamber made certain amendments to the proposed legislation.

Hon. Mr. DANDURAND: That is only a surmise on the part of my honourable friend.

Hon. Mr. TANNER: Whether or not my honourable friend accepts what I say as correct. I have reason to believe that it is correct. Moreover, it is a fact well known to honourable members of this House and elsewhere that the adoption of the report of that Royal Commission last year would have involved this country in almost incalculable expenditures, which the Royal Commission never took into consideration at all. Furthermore when this Chamber made amendments to the legislation founded on the report of that Commission, those amendments were accepted throughout the country as satisfactory to the Government. Now, it seems to me to be asking this House to go a long distance to subordinate its own judgment to the advice of a Royal Commission whose recommendations the Government itself was not willing to accept last year, and the country did not accept and I do not believe the country will approve of their recommendations today. If these matters had come to this House with recommendations offered on their own merits, or setting out meritorious cases, honourable members of this House would, I am sure, have been willing to give them full consideration; but there is very little merit in that Royal Commission except the merit of being able to make a great deal of money for themselves. In basing a statement to this House upon the Royal Commission's judgment—a judgment which has not the confidence of either the Government or the country—the Government is presenting a weak case indeed.

Hon. Mr. ROBERTSON: It is worthy of observation, honourable gentlemen, that the Government's reason advanced in this case is not exactly consistent with its action in other matters. I would point out to my honourable friend the leader of the Government that a Royal Commission made an exhaustive inquiry recently as to the propriety or otherwise of the Government being saddled with the responsibility, or some of the responsibility, for the tremendous losses incurred by depositors in the Home Bank; that that Commission rendered a report; then a Parliamentary Committee in another place made a further investigation and submitted a report, which was unanimously adopted; yet the Government itself has not acted upon the recommendation of the Royal Commission, nor upon the recommendation of the Committee appointed to deal with the matter, and, after it has been declared by Parliament itself that the Government is morally responsible to the shareholders, and intimated that it should take steps to reimburse them, it takes no steps whatever. That being true, it is passing strange that it should advance the reason that has been given in this case for disagreeing with the amendments made by the Senate to the Bill.

Hon. Sir JAMES LOUGHEED: Before the motion is submitted, may I make a few observations which I omitted in moving it? I recall, honourable gentlemen, that the Commissioners were appointed in 1922. My recollection is that they sat in 1922, and that during the greater part of the Session of 1923 they were present in Ottawa; and I know that during the present Session they have been in Ottawa, sitting as a Commission, not taking evidence, but preparing their report.

Hon. Mr. DANDURAND: They had made a provisional report. It was upon the provisional report that we worked last year.

Hon. Sir JAMES LOUGHEED: I do not know what the distinction between a provisional report and an ordinary report would be, in a matter of this kind.

Hon. Mr. DANDURAND: It did not cover the whole ground of their inquiry. They had done the first part of their work, and upon it

they submitted a report, on which was based the legislation of last Session. The present Bill was based on the second part of the Commission's work.

Hon. Sir JAMES LOUGHEED: But my honourable friend will remember that the Senate gave special attention to the report of the Commission last year. I cannot recall any closer attention being paid to the analysis and revision of a Bill than was given by the Senate to the Bill submitted by the Government last Session. My honourable friend was in charge of the deliberations of the Committee at that time, and I say advisedly that there was in the minds of the Committee, when we prepared our report, an impression that practically the whole question was decided. We were unaware that there were other important questions in the offing, waiting to be submitted to the Senate on another occasion.

But surely it would not have been unreasonable to expect that between the prorogation of Parliament last year and the opening of the present Session, an interval of practically eight months, the most mature consideration would be given by the Commission to the subject upon which they had been sitting for over two years, and a Bill would be prepared. They have entered upon their third year, and it is surely reasonable to expect that what took them nearly three years to digest would take at least a few weeks in Parliament. What was the object of this Commission, in submitting this measure in the dying hours of the Session? Did the Commission have in view placing Parliament, and particularly the Senate, in a false position towards the veterans in Canada?

Hon. Mr. BRADBURY: It looks like it.

Hon. Sir JAMES LOUGHEED: Had this Commission in view some political chicanery that they would try to put upon the party in opposition? It looks to me very much like it, honourable gentlemen, because they absolutely refuse to give us an opportunity to consider their report. I say that advisedly. They knew—no Commission knew better—that we could not give proper consideration to that report in the dying hours of the present Session. It came to us yesterday at noon. It was received by the Commons the day before.

Hon. Mr. DANDURAND: The report of the Committee of the House.

Hon. Sir JAMES LOUGHEED: I do not think the House considered the report.

Hon. Mr. DANDURAND: When my honourable friend speaks of "the report," he refers to the report of the Committee of the Commons.

Hon. Sir JAMES LOUGHEED: No, I am speaking of the report of the Commission.

Hon. Mr. DANDURAND: But the Commission's report has been in the hands of a Committee of the House of Commons for two or three months.

Hon. Sir JAMES LOUGHEED: Allow me to say to my honourable friend that the Commissioners, up to a few days ago, were in Ottawa, all apparently as enthusiastic and as energetic in the carrying on of their work as they ever were; and if my honourable friend will look at the expenses of the Commission he will find that there has been no abatement of energy, so far as rolling up their expenses is concerned. I venture to say that the Government has not even yet been released.

Hon. Mr. TANNER: They will come back again next year.

Hon. Sir JAMES LOUGHEED: I appeal to my honourable friend (Hon. Mr. Dandurand), whose convictions on this question are, I know, as deep as ours. Is this the treatment that should be accorded the Senate in dealing with a measure of this kind? My honourable friend is expected, according to our constitutional practice, to endorse the action of his Government; yet there are times when a member of the Government will jump the traces, so to speak, and give free expression to convictions which are deeply rooted in his mind. That, I know, is the position of my honourable friend.

A further point, which was mentioned yesday, and which apparently the Government has ignored in refusing to accept our amendments, is that if mature consideration had not been given to the many questions which had arisen they could be the subject of legislation at next Session. The public interest would not suffer. The interests of the men would not suffer. Surely the public do not expect us to put through a measure of this character, involving millions of dollars of expenditure for two or three generations, without giving it careful thought. My honourable friend will fully agree with us on this point, and I think that the least we may expect of him is that he will assure the Government that the Senate has done all it could do with this Bill. We have given it more than a passing glance; we have given it the most sympathetic consideration—I venture to say more sympathetic than was given it by the other branch of Parliament.

I say that this is peculiarly a matter for the Government to consider. The Government itself had not the opportunity to give proper consideration to the measure. I know that. I know it not only from the statement made by my honourable friend as leader of the Government, but also from other sources which are equally authoritative. Therefore I say to my honourable friend that the Government, instead of seeking to place the onus of amending this Bill upon the Senate, which has done the very best it could on behalf of the men, should at once make a statement throwing upon the Commission the responsibility of having brought down the report in the dying hours of the Session and of having given no opportunity even to the Government itself to digest it properly. Under these circumstances I think it is not at all unreasonable that we insist upon our amendments.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not intend to divide the House on this motion of my honourable friend; yet it is perhaps necessary for me to explain the situation as I see it. I cannot pass judgment upon the supposed dilatoriness of the Royal Commissioners in making their report, because if I were asked at this moment when they did make the report upon which this Bill is based, I could not answer the question. But I do know that in the early part of the Session the House of Commons appointed a Committee. Perhaps it is the same Committee that worked upon the matter in the previous Session.

Hon. Sir JAMES LOUGHEED: No, it is a new Committee every year.

Hon. Mr. DANDURAND: A Committee was appointed to examine into the Pension Act and other matters affecting the returned men. That Committee sat for weeks and weeks. Did it spend considerable time on the matters referred to it? Did it press on its work? I do not know. I did not follow the work of the Committee. However, I desire to acquit the Government of having sprung this legislation upon Parliament. The House of Commons Committee, composed largely of returned men, reported only a few days ago to the House of Commons upon its work, and submitted its conclusions. The Minister who has charge of this matter in the other Chamber brought in his Bill the day after the report was adopted by the House. He could not do so before. He simply took from the report the suggestions adopted by the Commons and embodied them in the Bill. This is peculiarly the work of the House of Commons, as represented by the Committee.

I took occasion to ascertain how many members of that Committee had interested themselves in its work, and I have been told, not from one source only, but from at least two, that, taking all of the sittings of the Committee throughout the Session, a good average attendance might be placed at ten.

Hon. Sir JAMES LOUGHEED: I heard it was less than that.

Hon. Mr. DANDURAND: Sometimes it was much less. This report was adopted in the House of Commons and the Bill was brought in.

These are the circumstances under which the Bill comes to us. I have already explained in similar terms, but perhaps more concisely, the history of the Bill. It came up for its second reading yesterday. Now, I believe that the Senate is disposed to approve of the most generous treatment that can be afforded for the returned men—

Hon. Sir JAMES LOUGHEED: Hear, hear.

Hon. Mr. DANDURAND: —particularly the invalids and the men whose vitality has been lessened by the noble services that they rendered this country abroad, and the widows and orphans.

I believe that at the same time there is a duty devolving upon this Chamber to examine seriously into any cause for broadening the class of beneficiaries and the treatment to be accorded them under Bills coming from the other Chamber. We have before us the experience of the United States in dealing with pensions. Men of my time have had that situation before them in a very glaring way, and I believe it is the special duty of this Chamber, which is not under the influence of any outside organisation, be it small or large, to see that the men be fairly treated, but at the same time that the Treasury be fully protected.

We have extended the bonus for two years. The Ralston Royal Commission has suggested that it be extended for five years. The Bill makes it a permanent bonus absorbed in the pension. It goes without saying that the extension which we have made leaves the door open for an examination of the question of a further extension and a weighing of the policy of permanency. There must have been reasons given to the committee of the House of Commons to prompt them to make this a permanent charge upon the Treasury. Have those reasons been given to us? We cannot have them until the House meets again, under normal conditions, and when a Com-

mittee of this House will have the same facilities that the Committee of the House of Commons had for obtaining proper information. That is one of the reasons that prompted me to say yesterday that I would support the conclusions of the Committee, and I have not varied my opinion since.

The motion was agreed to.

The Senate adjourned until 2.30 p.m.

SECOND SITTING

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

Routine proceedings.

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

His Excellency the Governor General having come and being seated on the Throne:

The Hon. the SPEAKER commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that: "It is His Excellency the Governor General's pleasure they attend him immediately in the Senate Chamber."

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

BILLS ASSENTED TO

An Act respecting The Canadian Pacific Railway Company.

An Act respecting the Esquimalt and Nanaimo Railway Company.

An Act to amend an Act to incorporate the Burrard Inlet Tunnel and Bridge Company.

An Act respecting The T. Eaton General Insurance Company.

An Act respecting The Northern Life Assurance Company of Canada.

An Act to change the name of Imperial Underwriters Corporation of Canada to "Imperial Insurance Office."

An Act respecting The General Animals Insurance Company of Canada.

An Act respecting the Commercial Travellers Mutual Insurance Society.

An Act respecting The Montreal, Ottawa and Georgian Bay Canal Company.

An Act for the relief of Theresa Agnes Sprague.

An Act for the relief of Terry Andrea Maxwell Bruce.

An Act for the relief of Rilla May Freeman.

An Act for the relief of Jessie Maria Watchorn.

An Act for the relief of Walter Scott Miller.

An Act for the relief of Harriet Bertha Wiser.

An Act for the relief of Esther Mary Edwardes St. George.

An Act for the relief of Mabel Peters.

An Act for the relief of William Thomas Trott.

An Act for the relief of Lucy Elizabeth Smith.

An Act for the relief of Florence Luella Patterson Kelly.

An Act for the relief of Arthur Harold Mingay.

An Act for the relief of Isabella Guild.

An Act for the rfelief of Albert Lawrence.

An Act for the relief of Douglas Lewin.

An Act for the relief of Mary Quinn.

An Act for the relief of Marie Darling Irving.

An Act for the relief of Margaret De Mello.

An Act for the relief of Mary Caroline Dooley.

An Act for the relief of Barbara Gibb Duncan.

An Act for the relief of Nellie Simkins.

An Act for the relief of Catherine Jean Livingstone.

An Act for the relief of Alice Maud Knowles.

An Act for the relief of Jessie Ruth Haverson.

An Act for the relief of Arthur Foord.

An Act for the relief of Harold Gordon Hendry.

An Act for the relief of Karl Peter Hansen.

An Act for the relief of Ethel Haddem.

An Act for the relief of William James McLaughlan.

An Act for the relief of Alyce Wilson.

An Act for the relief of Lemuel Burkett.

An Act for the relief of William Ewart Gladstone Pettinger.

An Act for the relief of Anna McGeachey.

An Act for the relief of Antonio Pietranglo.

An Act for the relief of Ella Vear.

An Act for the relief of Anna Welton.

An Act for the relief of Marjorie Mahaffy Cox.

An Act for the relief of Mary Elizabeth Milne.

An Act for the relief of Georgina Myrtle Potts.

An Act for the relief of Guy Barrington Hutchings.

An Act for the relief of Amy Selain Slater Therrien.

An Act for the relief of Harold Adrian Proctor.

An Act for the relief of Harry Charles Arthur.

An Act for the relief of Tony Bazar.

An Act for the relief of Gordon Johnston Hutton.

An Act for the relief of Douglas Carlyle Bell.

An Act for the relief of Elma Catheryne Caulfield.

An Act for the relief of Alice Bertha Boyce Baker.

An Act for the relief of John Lee Williamson.

An Act for the relief of Nora Pearce.

An Act for the relief of Albert Francis Ray.

An Act for the relief of Irene Mildred Jeffrey.

An Act for the relief of Florence Mitchell.

An Act for the relief of Ruth Ethelind Jackes.

An Act for the relief of Wilfred John Mitchell.

An Act for the relief of Edward James Bentley.

An Act for the relief of Elizabeth Sylvia Cameron.

An Act for the relief of Wilhelmina Aird McKay.

An Act for the relief of Mary Ellen McClelland.

An Act for the relief of Annie Jane Bridges.

An Act for the relief of Florence Rathbun.

An Act for the relief of William Samuel Morrow.

An Act for the relief of Ethel May Macdonald.

An Act for the relief of Stanley George Harris.

An Act for the relief of Evelyn Eira Awrey.

An Act respecting Alliance Nationale.

An Act to incorporate Merchants Casualty Insurance Company.

An Act to incorporate The Laurentian Insurance Company.

An Act for the relief of Angus Martin.

An Act for the relief of Lester Ernest Greenwood.

An Act for the relief of Charles Lawson.

An Act for the relief of Margaret Hickey.

An Act for the relief of William John Chenery.

An Act for the relief of Florence Roberts.

An Act for the relief of Hugh Allan Macdonald.

An Act for the relief of Wilhelmine Christina Slater.

An Act for the relief of Emma Doris Perley.

An Act for the relief of Arthur Hill.

An Act for the relief of Emily Elizabeth Reeder.

An Act for the relief of Merlin Englehart Clubine.

An Act for the relief of Victoria Stella Haswell.

An Act for the relief of Thyrza Ewart (otherwise known as Thyrza Hodgins).

An Act for the relief of Rebecca Messer.

An Act for the relief of James Henry Kirkwood.

An Act for the relief of Louis White.

An Act for the relief of Dorothy Marie Robinson.

An Act for the relief of Raymond Anderson Mashinter.

An Act for the relief of James Koniaris.
An Act to amend The Special War Revenue Act, 1915.
An Act to amend the Act to incorporate the Board of the Presbyterian College, Halifax.
An Act respecting certain patents owned by The Canadian Sumner Iron Works, Limited.
An Act respecting a patent of Thomas Williams Pritchard.
An Act for the relief of Katherine Gossage.
An Act for the relief of Alice Moore.
An Act for the relief of Alexander Cruikshank.
An Act for the relief of Francis Albert Armstrong.
An Act for the relief of Edythe Kathleen Victoria Canniff.
An Act for the relief of Helen Tuer.
An Act for the relief of Hilda Maud Ward.
An Act for the relief of Rosie Race.
An Act for the relief of Philip R. Marshall Palmer.
An Act for the relief of George Felix Simpson.
An Act to incorporate Dominion Electric Protection Company.
An Act to amend the Customs Tariff, 1907.
An Act to amend The Income War Tax Act, 1917.
An Act to amend the Judges Act.
An Act to amend the Prisons and Reformatories Act.
An Act to incorporate The Life Underwriters' Association of Canada.
An Act respecting a certain patent of The Fleischmann Company.
An Act to amend the Exchequer Court Act.
An Act to amend the Consolidated Revenue and Audit Act.
An Act to amend the Trust Companies Act, 1914.
An Act to amend the Loan Companies Act, 1914.
An Act to amend the Juvenile Delinquents Act, 1908.
An Act respecting The Interprovincial and James Bay Railway Company.
An Act to amend The Dominion Lands Act.
An Act to amend The Canadian National Railways Act, 1919.
An Act to amend the Land Titles Act.
An Act to authorize the raising by way of loan, of certain sums of money for the Public Service.
An Act respecting The Business Profits War Tax Act, 1916.
An Act to incorporate Shantung Christian University.
An Act for the relief of Gordon Allingham.
An Act for the relief of Alfred Edward Briggs.
An Act for the relief of Louisa Elizabeth Smith.
An Act for the relief of Annie Thirde.
An Act for the relief of Florence Castle.
An Act for the relief of Frances Hadenka.
An Act for the relief of Louise Powell.
An Act for the relief of Margaret Johnston.
An Act for the relief of Hilda Girdler.
An Act for the relief of Janet Ferguson.
An Act for the relief of Charles Whittaker.
An Act for the relief of Arthur Robert Ascough.
An Act for the relief of Albert Joseph Phillips.
An Act for the relief of Patience Oldfield.
An Act for the relief of Elizabeth Atkinson.
An Act respecting the Construction of a Canadian National Railway Line between Grande Fresniere and Rinfret Junction, in the Province of Quebec.
An Act respecting the Construction of a Canadian National Railway Line from Peebles southerly in the Province of Saskatchewan.
An Act respecting the Construction of a Canadian National Railway Line extending the Gravelbourg Branch to Neidpath, in the Province of Saskatchewan.
An Act respecting the Construction of a Canadian National Railway Line extending the Ste. Rose du Lac Branch to Rorketon, in the Province of Manitoba.
An Act respecting the Construction of a Canadian National Railway Line from Prince Albert to near Paddockwood in the Province of Saskatchewan.
An Act respecting the Construction of a Canadian National Railway Line between Eyre, in the Province of Saskatchewan, and Acadia Valley, in the Province of Alberta.
An Act respecting the Construction of a Canadian National Railway Line between Eston and White Bear in the Province of Saskatchewan.
An Act respecting the Construction of a Canadian National Railway Line from St. Paul, in the Province of Alberta, southeasterly 21 miles.
An Act respecting the Construction of a Canadian National Railway Line to Cowichan Bay, on Vancouver Island.
An Act respecting the Construction of a Canadian National Railway Line to Mile 100 on Vancouver Island.
An Act respecting the Construction of a Canadian National Railway Line to Pine Falls in the Province of Manitoba.
An Act respecting the Construction of a Canadian National Railway Line between Lockeport Station and the Town of Lockeport, in the Province of Nova Scotia.
An Act respecting the Construction of a Canadian National Railway Line between Hanna and Warden, in the Province of Alberta.
An Act respecting the Construction of a Canadian National Railway Line from Loverna westerly in the Province of Alberta.
An Act respecting the Construction of a Canadian National Railway Line between Dunblane and Mawer or a point west thereof, in the Province of Saskatchewan.
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 the Construction of a Canadian National Railway Line between Kingsclear and the St. Croix River, in the Province of New Brunswick.
An Act to amend The Insurance Act, 1917.
An Act to amend the Post Office Act.
An Act for the Settlement of certain questions between the Governments of Canada and Ontario, respecting Indian Reserve Lands.
An Act for the relief of Gerald Arthur Johnson.
An Act for the relief of Malcolm Middleton.
An Act for the relief of Clara Louise Kinnear.
An Act for the relief of Allan Thomas Easson.
An Act for the relief of Henry Irwin Claxton.
An Act for the relief of John Henry Smith.
An Act for the relief of Bertha May Roy.
An Act for the relief of Lunetta Elmina Hay.
An Act to incorporate L'Institut des Frères de Saint-Gabriel au Canada.
An Act for the relief of Eva Laura Bell.
An Act for the relief of Peter Alexander Fawcett.
An Act for the relief of Beatrice Ella Mastron.
An Act for the relief of Herman Kleinsteuber.
An Act for the relief of Mary Ann Hastings.
An Act to authorize an Agreement between His Majesty the King and the Corporation of the City of Ottawa.
An Act respecting the Construction of a Canadian National Railway Line, Kamloops-Kelowna Division, Province of British Columbia.
An Act respecting a certain Trade Convention between His Majesty and the King of the Belgians.
An Act for the relief of William Smith Scott.
An Act for the relief of Rebecca Smolkin Koffler.
An Act for the relief of Earl James Sharpe.
An Act for the relief of Henry George Stuart Johnston.
An Act to incorporate Joliette and Northern Railway Company.
An Act incorporating The United Church of Canada.
An Act to amend the Companies Act.

An Act to provide for the Superannuation of Civil Servants.

An Act to amend The Bank Act.

An Act to amend the Immigration Act.

An Act to change the name of La Banque d'Hochelaga to 'Banque Canadienne Nationale.'

An Act to amend The Feeding Stuffs Act.

An Act to amend The Inland Water Freight Rates Act, 1923.

An Act to amend The Fisheries Act, 1914.

An Act to amend the Canada Shipping Act, to give effect to certain Draft Conventions adopted by the International Labour Conference of the League of Nations.

An Act to amend The Customs Act.

An Act to amend the Indian Act.

An Act respecting the Toronto Terminals Railway Company.

An Act respecting the Revised Statutes of Canada.

An Act to amend the Winding-up Act.

An Act to amend The Department of Customs and Excise Act.

The Research Council Act.

An Act to amend The Fisheries Act, 1914.

An Act to provide for further advances to the Vancouver Harbour Commissioners.

An Act to amend the Montreal Harbour Commissioners Act, 1894.

An Act to amend the Canada Shipping Act.

An Act to amend the Expropriation Act.

An Act to amend the Royal Canadian Mounted Police Act.

An Act to amend The Department of Soldiers' Civil Re-establishment Act.

An Act respecting Quartz Mining in the Yukon Territory.

An Act to amend The Bank Act by changing the name of La Banque d'Hochelaga to "Banque Canadienne Nationale."

An Act respecting the Construction of a Canadian National Railway Line from the end of the China Clay Branch to St. Rémi d'Amherst, in the Province of Quebec.

An Act to readjust the Representation in the House of Commons.

An Act to amend The Criminal Code (Evidence as to Games of Chance).

An Act for the relief of Charles Dawson Carlyle.

An Act for the relief of Elgin Caughey.

An Act for the relief of Florence Ethel Armstrong.

An Act to amend the Militia Act.

An Act to amend the Pension Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1925.

THE GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the third Session of the Fourteenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate::

Members of the House of Commons:

I am glad to be able to relieve you of the parliamentary duties to which, for some months past, you have given such constant and close attention. In bringing to a conclusion the proceedings of the present session, may I express my pleasure at the degree to which you have realized the hopes set forth in my address at the reassembling of Parliament in February last.

It is deeply gratifying to be able to record that, for the first time since the outbreak of war, the national Budget has been balanced, and the relation between revenue and expenditure such as to justify an immediate reduction of taxation.

The lowering of the Sales Tax and the increase in the number of commodities exempted therefrom should serve to reduce in appreciable measure the cost of living and prove beneficial to trade.

The substantial lessening of the burdens of customs taxation effected by a downward revision of the tariff upon the instruments of production in the industries based on the natural resources of the Dominion cannot fail to aid materially in agricultural and industrial development, and, through cheapened production, also to effect a diminution in the cost of living.

The task of readjusting the representation of the people in the House of Commons, under the provisions of the British North America Act, has been accomplished with comparatively little disturbance of existing electoral divisions in most of the Provinces. The readjustment will considerably increase the representation of the middle West. The desire to effect an equitable redistribution has, I believe, been realized, and the manner in which this difficult task has been accomplished will, I feel sure, meet with the approval of the electorate.

It is satisfactory to observe that, as the co-ordination of the Canadian National Railway lines and facilities becomes increasingly effective, the prospects grow brighter for the success of this great national undertaking. To facilitate the construction of much-needed branch lines, legislation has been enacted to authorize the construction of certain mileage over a term of years. This statutory provision should enable the management to plan its construction programme definitely and economically. While the programme of railroad construction contemplated by the Board of Directors of the Canadian National Railways has been curtailed, the construction of the branch lines for which provision has been made should assist in relieving in part the difficulties experienced by settlers in sections of the country which these lines will serve, and in accelerating the movement of new settlers to the land.

Among many other important measures, provision has been made for the investigation and study of tariff problems and other forms of taxation by expert advisers of the Government, and for the consolidation of the revenue-collecting services under one administrative head. These enactments should materially aid in simplifying and improving the present methods of taxation, and effect a substantial saving.

To existing safeguards for the public in banking operations has been added provision for government inspection of the chartered banks.

Important trade agreements, mutually beneficial, have been made with Belgium and the Netherlands. Other treaties, aiming at the suppression of smuggling operations, have been negotiated between Canada and the United States. To safeguard the interests of children and young persons in maritime transport, adherence has been given by Canada to certain draft conventions of the International Labour Conference of the League of Nations. At the moment our country is being represented at the Inter-Allied Conference in London by an honourable member of this parliament. We fervently share the hope of all the countries there represented that the deliberations of this important body may aid in the speedy improvement of European conditions and relations.

Members of the House of Commons:

I thank you, in His Majesty's name, for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

For the peace and plenty which our land to-day enjoys, and for the promise of increasing prosperity, I join with you in humble thanksgiving to Divine Providence.

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